plato

PLATO CAPITAL LIMITED
ANNUAL REPORT 2015

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This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

Corporate Information

Board of Directors

Lim Kian Onn	*Chairman/Non-Independent/Non-Executive Director*
Gareth Lim Tze Xiang	*Alternate Director to Lim Kian Onn and Chief Executive Officer*
Michael Kan Yuet Yun PBM	*Independent Director*
Chong Huai Seng	*Independent Director*
Oh Teik Khim	*Executive Director and Chief Operating Officer/Chief Financial Officer*

Company Secretary

Low Geok Eng Susie

Audit Committee

Michael Kan Yuet Yun PBM *(Chairman)*
Chong Huai Seng
Lim Kian Onn

Remuneration Committee

Chong Huai Seng *(Chairman)*
Michael Kan Yuet Yun PBM
Lim Kian Onn

Registered Office

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : (65) 6536 5355
Facsimile : (65) 6536 1360

Business Office

Ground Floor, Bangunan ECM Libra
8 Jalan Damansara Endah, Damansara Heights
50490 Kuala Lumpur
Malaysia
Telephone : (603) 2092 2823
Facsimile : (603) 2092 2829

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Auditor

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-In-Charge
Low Bek Teng
(Date of appointment: since financial year ended 31 December 2013)

Company Sponsor

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

Chairman's Statement

Dear Shareholders

It has been a year of mixed results for Plato Capital Limited ("**PCL**") and its group of companies (collectively the "**Group**").

Through its 50% stake in TP Real Estate Holdings Pte Ltd ("**TPRE**"), the Group's investments in the hospitality space have matured and are delivering strong results both on an operating level and with respect to capital returns. TPRE's UK and Malaysian assets are currently delivering EBITDA margins of 50.5% and 55.9% and equity returns of 10.8% and 16.5% respectively for the financial year ended 31 December 2015 ("**FYE2015**"), whilst the recent sale of the Melbourne asset has yielded a 1.75x return on invested equity.

However, a combination of adverse macroeconomic trends and early stage start-up losses has led to the Group's associates registering a $4.52 million share of loss in the financial accounts of the Group for FYE2015. The poor performing Malaysian Ringgit ("**MYR**") – especially relative to the US Dollar ("**USD**") – has led to the Group's associates TYK Capital Sdn Bhd ("**TYKC**") incurring significant unrealised exchange losses whilst EDUC8 Group Sdn Bhd ("**EDUC8 Group**") – in its first full year of academic operations at Epsom College in Malaysia ("**ECiM**") – has yet to hit sufficient student numbers to achieve profitability.

As such, the Group registered a loss before tax of $3.96 million for FYE2015. However, as will be elaborated on below, I firmly believe that the Group has established a strong base from which to grow both operationally and profitably going forward.

PERFORMANCE OF THE GROUP'S HOSPITALITY INVESTMENTS VIDE TPRE

In FYE2015, all three Tune Hotels properties under TPRE were profitable due both to continued demand for affordable travel in light of growing economic uncertainty and operational improvements at the property level yielding higher average room rates and occupancy levels. Tune Hotel @ KLIA2 recorded occupancies of 87.6% in FYE2015 whilst Tune Hotel @ Edinburgh saw revenue growth of 21.5% in FYE2015. As such, TPRE recorded profits of $2.29 million with PCL's 50.0% share amounting to $1.15 million for FYE2015.

More recently, in the first quarter ("**1Q2016**") of financial year ending 31 December 2016 ("**FYE2016**"), TPRE completed the disposal of Tune Hotel @ Melbourne for A$52.00 million (being aggregate consideration for property and the hotel business). Pursuant thereto, TPRE will register a gain on disposal of $13.81 million in its books and PCL's 50.0% share of such gain registered in its books for FYE2016 is $6.91 million.

Taken together with TPRE's earlier disposal of Tune Hotel @ Paddington, TPRE has developed and demonstrated the requisite expertise in this space to identify, acquire, operate in tandem with Tune Hotels, and monetise such sites and developments. I am confident that this will remain a key driver of PCL's growth in the years to come and the Group's Ormond property in central Dublin Ireland represents a ready opportunity to demonstrate this.

PERFORMANCE OF THE GROUP'S INVESTMENT IN THE EDUCATION SECTOR VIDE EDUC8 GROUP

In its first full year of operations, ECiM has drawn approximately 340 students from 15 countries across Asia to its 50-acre campus sited between Kuala Lumpur city and Kuala Lumpur International Airport. This is extremely encouraging in light of the prevailing economic climate and lends further credence to the demand for quality international boarding school education from the Asian market. As at the end of FYE2015, the Group has invested an aggregate of $13.12 million in EDUC8, which has been used to fund construction of the site and on-going working capital requirements as the business attains scale. ECiM will continue its focus on driving student numbers through increased marketing efforts and increasing awareness of the Epsom brand around the region in order to achieve economies of scale at its 50 acre campus in Bandar Enstek in the next two to three years. However, for FYE2015, due to the aforementioned lack of scale, PCL's share of losses from the EDUC8 Group investment is $3.00 million.

PERFORMANCE OF THE GROUP'S INVESTMENT IN THE MANUFACTURING SECTOR VIDE TYKC

FYE2015 saw TYKC incurred a loss after tax and non-controlling interest of $5.60 million due primarily to the impact of exchange losses from outstanding USD / MYR hedging contracts and USD denominated debt. Notwithstanding the general downturn in the hard disk drive sector, TYKC still generated EBITDA of $21.07 million and profits of $4.70 million without the adverse currency impact. We note that the currency hedges have since expired in the fourth quarter of FYE2015 ("**4Q2015**") and TYKC returned to profitability in 4Q2015, with the TYKC group reporting a strong cash position at the end of FYE2015.

PERFORMANCE OF THE GROUP'S IT DIVISION

The IT division of the Group saw improved performance in FYE2015, registering marginally higher revenues of $1.42 million compared to $1.38 million. Despite increased overhead costs, loss after tax was contained at $0.02 million compared to losses of $0.33 million a year ago.

On behalf of the Board, I would like to thank our employees, shareholders and partners for their continued commitment and support. I also wish to express my appreciation to all our clients and shareholders for their continued support and gratitude to our Directors, Management and staff for their invaluable contributions to the Group.

Lim Kian Onn
Chairman
Plato Capital Limited

Corporate Governance Report

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the "**Board**") of Plato Capital Limited (the "**Company**" together with its subsidiaries and associated companies, the "**Group**") are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2015 ("**FY2015**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2015.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>The Board has 4 members and comprises the following:

Table 1.1 – Composition of the Board<table><tr><th>Name of Director</th><th>Designation</th></tr><tr><td>Lim Kian Onn</td><td>Chairman/Non-Independent/Non-Executive Director*</td></tr><tr><td>Michael Kan Yuet Yun PBM</td><td>Independent Director</td></tr><tr><td>Chong Huai Seng</td><td>Independent Director</td></tr><tr><td>Oh Teik Khim</td><td>Executive Director/Chief Operating Officer/Chief Financial Officer</td></tr></table>
*Gareth Lim Tze Xiang, the Chief Executive Officer of the Company ("CEO"), is an Alternate Director to Lim Kian Onn.

The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are, inter alia, as follows:

• Providing entrepreneurial leadership;
• Monitoring Management's performance;
• Establishing a framework for prudent and effective control risk management; and
• Safeguarding shareholders' interests and the Group's assets.</td></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>The Board has delegated certain responsibilities to the Audit Committee (the "AC") and the Remuneration Committee (the "RC") (collectively, the "Board Committees"). The compositions of the Board Committees are as follows:

Table 1.3 – Composition of the Board Committees<table><tr><th></th><th>AC</th><th>RC</th></tr><tr><td>Chairman</td><td>Michael Kan Yuet Yun PBM</td><td>Chong Huai Seng</td></tr><tr><td>Member</td><td>Chong Huai Seng</td><td>Michael Kan Yuet Yun PBM</td></tr><tr><td>Member</td><td>Lim Kian Onn</td><td>Lim Kian Onn</td></tr></table></td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Board meets on a quarterly basis, and as and when circumstances require. In FY2015, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

<table>
<tr><th></th><th>Board</th><th>AC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>4</td><td>3</td><td>2</td></tr>
<tr><td>Name of Director</td><td colspan="3">Number of Meetings Attended</td></tr>
<tr><td>Lim Kian Onn (Alternate Director: Gareth Lim Tze Xiang)</td><td>4</td><td>3</td><td>2</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>4</td><td>3</td><td>2</td></tr>
<tr><td>Chong Huai Seng</td><td>4</td><td>3</td><td>2</td></tr>
<tr><td>Oh Teik Khim</td><td>4</td><td>N/A</td><td>N/A</td></tr>
</table>

The Constitution of the Company ("Constitution") allow for meetings to be held through telephone and/or video-conference.</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>Matters that require the Board's approval include, amongst others, the following:

• Overall Group business and budget strategy;
• Capital expenditures, investments or divestments of material limits;
• All capital-related matters including capital issuance and redemption;
• Significant policies governing the operations of the Company;
• Corporate strategic development and restructuring;
• Interested person transactions; and
• Risk management strategies.</td></tr>
<tr><td rowspan="2">1.6</td><td>(a) Are new Directors given formal training? If not, please explain why.</td><td>There was no new appointment of new directors during FY2015. For future appointments, newly appointed Directors will be fully briefed on the business activities and organisational structure of the Group and its strategic plans and objectives. Each newly appointed Director will receive an induction covering the Company's business operations, policies and procedures as well as the statutory and regulatory obligations of being a Director to ensure that he/she has a proper understanding of the Group and is fully aware of his/her responsibilities and obligations of being a director of the Company. In addition, the Company will also provide each newly appointed Director with a formal letter of appointment.</td></tr>
<tr><td>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</td><td>Briefings, updates and trainings for the Directors in FY2015 include:
• the external auditors ("EA") briefed the AC on changes or amendments to accounting standards;
• The Company Secretary briefed the Board on changes in Companies Act, Chapter 50 of Singapore ("Companies Act"); and
• The Directors have attended courses conducted by the Singapore Institute of Directors as follows:

<table>
<tr><th>Name of Director</th><th>Course attended</th></tr>
<tr><td>Mr Michael Kan Yuet Yun PBM</td><td>Corporate Governance Roundup 2015</td></tr>
<tr><td>Mr Chong Huai Seng</td><td>Corporate Governance Roundup 2015</td></tr>
<tr><td>Mr Oh Teik Khim</td><td>Corporate Governance Roundup 2015</td></tr>
</table></td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Although the Non-Independent/Non-Executive Chairman of the Board Mr Lim Kian Onn ("**Chairman**") and the CEO are immediate family members and the Chairman is not an independent director, Guideline 2.2 of the Code is met as the Independent Directors make up half of the Board. Although the Chairman is the father of the CEO, the Board is of the view that there are sufficient safeguards and checks in place against an imbalanced concentration of power and authority in them. All major decisions are made in consultation with the Board, and with half of the Board members comprising of independent directors, the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising considerable concentration of power or influence. As such the Company does not have a lead independent director.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The Board has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors confirmed their independence in accordance with the Code on an annual basis.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.4</td><td>Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.</td><td>Notwithstanding that Mr Michael Kan Yuet Yun PBM has served beyond nine years since the date of his first appointment, the Board is of the view that Mr Michael Kan Yuet Yun PBM is independent as he has:

• contributed constructively throughout his term in the Company;
• sought clarification and amplification as he deemed necessary, including through direct access to key management personnel, company secretary, internal and external auditors; and
• provided impartial advice and insights, and has exercised his independent judgement in doing so.

The Board is confident that Mr Michael Kan Yuet Yun PBM has the ability to continue exercising strong independent judgement in the discharge of his duties and has requested that he continues as independent director of the Company for the ensuing year. Mr Michael Kan Yuet Yun PBM has acceded to the Board's request.</td></tr>
<tr><td rowspan="3">2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td rowspan="2">The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Table 2.6 – Balance and Diversity of the Board
<table><tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr><tr><td>Core Competencies</td><td></td><td></td></tr><tr><td>- Accounting or finance</td><td>3</td><td>75%</td></tr><tr><td>- Business management</td><td>3</td><td>75%</td></tr><tr><td>- Relevant industry knowledge or experience</td><td>4</td><td>100%</td></tr><tr><td>- Strategic planning experience</td><td>4</td><td>100%</td></tr><tr><td>- Customer based experience or knowledge</td><td>4</td><td>100%</td></tr><tr><td>Gender</td><td></td><td></td></tr><tr><td>- Male</td><td>4</td><td>100%</td></tr><tr><td>- Female</td><td>0</td><td>0%</td></tr></table></td></tr>
<tr><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td></tr>
<tr><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board has taken the following steps to maintain or enhance its balance and diversity:

• Annual review by the Board to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
• Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The Board will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</td></tr>
<tr><td>2.8</td><td>Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?</td><td>The Non-Executive Directors have met twice in the absence of key management personnel in FY2015.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer		
3.1	Are the duties between Chairman and CEO segregated?	The Chairman plays a vital role in setting up the Group's vision and objectives and providing guidance to the Group. The CEO is primarily responsible for overseeing the overall management and strategic development of the Group. His responsibilities include: • Determining and developing the Group's strategies; • Promoting high standards of corporate governance; • Executing and developing the Group's strategies and business objectives; • Reporting to the Board on all aspects of the Group's operations and performance; and • Providing quality leadership and guidance to employees of the Group. Notwithstanding that the Chairman and CEO are father and son, the Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities and the strong independent element on the Board.
3.4	Have the Independent Directors met in the absence of key management personnel?	The Independent Directors have met twice in the absence of key management personnel in FY2015.
Board Membership		
4.1	What are the duties of the NC?	The Board is of the view that the current size of the Board does not warrant a nominating committee.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not capped the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The Board is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The Board also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; and • Nature and scope of the Group's operations and size.
	(d) Have the Directors adequately discharged their duties?	The Board has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2015.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>The Chairman has appointed the CEO as his alternate on the Board of Directors of the Company. The Board is of the view that the CEO is appropriately qualified to bear the duties and responsibilities as an alternate director to the Chairman.</td></tr>
<tr><td>4.6</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td>
<table>
<tr><th colspan="3">Table 4.6(i) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The Board would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The Board would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The Board would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The Board consider and approve the selected candidate for his/her appointment to the Board.</td></tr>
</table>
<table>
<tr><th colspan="3">Table 4.6(ii) – Process for the Re-electing Incumbent Directors</th></tr>
<tr><td>1.</td><td>Assessment of director</td><td>• The Board assessed the performance of the director in accordance with the performance criteria set by the Board; and
• The Board considered the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>• Subject to the Board's satisfactory assessment and consideration, the Board would approve the proposed re-appointment of the director.</td></tr>
</table>
All directors are subject to the provisions of Article 107 of the Constitution whereby one-third of the Directors are required to retire and subject themselves to re-election by shareholders at each annual general meeting ("AGM"). The Board will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. The Board recommended that Mr LKO be nominated for re-election at the forthcoming AGM. The Board also recommended the re-appointment of Mr Michael Kan Yuet Yun PBM, who was previously re-appointed to hold office until this forthcoming AGM pursuant to Section 153(6) of the Companies Act (as was then still in force).

Mr Michael Kan Yuet Yun PBM will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of SGX-ST ("Catalist Rules").

In making the above recommendations, the Board had considered the Directors' overall contributions and performance.</td></tr>
<tr><td>4.7</td><td>Please provide Directors' key information.</td><td>The key information of the Directors, including their principal commitment(s), appointment dates and current directorships and that held in the past 3 years, are set out on page 24 of this annual report.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Performance		
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	Table 5 sets out the performance criteria, as approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole. ***Table 5 - Performance Criteria for Board Evaluation*** 1. Size and composition 2. Access to information 3. Board processes 4. Strategic planning 5. Board accountability 6. Risk management 7. Succession planning Given the relatively small size of the Board, the Board is of the view that there is no need at present to conduct a formal assessment of the board committees and contribution of each individual Director to the effectiveness of the Board. No external facilitator was used in the evaluation process.
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The review of the performance of the Board is conducted by the Board annually. For FY2015, the review process was as follows: 1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board based on criteria disclosed in Table 5 above; 2. The Company Secretary collated and submitted the questionnaire results to the Board Chairman in the form of a summary; and 3. The Board discussed the summary and concluded the performance results during the Board meeting.
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>
Table 6 – Types of information provided by key management personnel to Independent Directors
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)</td><td>Annually, save for management accounts on a quarterly basis</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>As and when required</td></tr>
<tr><td>5.</td><td>Enterprise risk framework and internal auditors' ("IA") report(s)</td><td>Half-yearly</td></tr>
<tr><td>6.</td><td>Shareholding statistics</td><td>As and when required</td></tr>
</table>
Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.
</td></tr>
<tr><td>6.3</td><td>What is the role of the Company Secretary?</td><td>The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

• Ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act and the Catalist Rules, are complied with;
• Assists the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value;
• Assists the Chairman to ensure good information flows within the Board and its committees and key management personnel;
• Keeps the Board apprised on new Rules and Regulations;
• Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;
• Attends and prepares minutes for all Board meetings;
• As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and
• Assists the Chairman, the chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) Reviews and recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise shareholder value; (b) Reviews the fairness and reasonableness of the termination clauses of the service agreements of the executive directors and key management personnel. The members of the RC do not participate in any decisions concerning their own remuneration. The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in the boards of other listed companies. In addition, the members of the RC do not participate in any decisions concerning their own remuneration.
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2015. Nevertheless, the RC may have access to appropriate external expert advice in the field of executive compensation, if necessary and may obtain advice from external consultants for benchmarking, where necessary.
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has bearing to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors and CEO for FY2015 is as follows:

<table>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td>Lim Kian Onn</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Gareth Lim Tze Xiang[1] (CEO and Alternate Director to Lim Kian Onn)</td><td>67</td><td>33</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Michael Kan Yuet Yun PBM</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Chong Huai Seng</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Oh Teik Khim</td><td>61</td><td>27</td><td>11</td><td>1</td><td>100</td></tr>
</table>
[1] Mr Gareth Lim Tze Xiang is the son of Mr Lim Kian Onn.

Save for the CEO whose remuneration in FY2015 was within the bands of S$250,000 to S$500,000, the Directors' remuneration individually and collectively was less than S$250,000.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.

There are no termination, retirement or post - employment benefits that may be granted to the Directors, the CEO and the 3 key management personnel.</td></tr>
<tr><td>9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The Company has only 3 key management personnel.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2015 is as follows:

<table>
<tr><th colspan="6">Table 9.3 – Remuneration of Key Management Personnel</th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Others (%)</th><th>Total (%)</th></tr>
<tr><td colspan="6">Below S$250,000</td></tr>
<tr><td>Choo Seng Lai</td><td>60</td><td>–</td><td>–</td><td>40</td><td>100</td></tr>
<tr><td>Lim Kian Fah</td><td>69</td><td>–</td><td>–</td><td>31</td><td>100</td></tr>
<tr><td>Chin Jon Wei</td><td>65</td><td>35</td><td>–</td><td>–</td><td>100</td></tr>
</table>
The total remuneration paid to the 3 key management personnel for FY2015 was S$289,257.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>Save for the CEO and Ms Lim Kian Fah who is the son of and sister of the Chairman respectively, there is no other employee of the Group who was an immediate family of a Director or the CEO whose remuneration exceeded S$50,000 in FY2015.

The CEO's and Ms Lim Kian Fah's remuneration in FY2015 were within the bands of S$250,000 to S$500,000 and S$50,000 to S$100,000 respectively.</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>The Company had no employee share schemes during FY2015.</td></tr>
<tr><td rowspan="3">9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2015. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowances. The variable compensation is determined based on the level of achievement of individual performance objectives.</td></tr>
<tr><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions are used by the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Table 9.6(b)- Performance Conditions for short-term incentives (such as performance bonus)
1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices
6. Macro-economic factors

Currently, the Company does not have any long-term incentive scheme.</td></tr>
<tr><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2015.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2015. The bases for the Board's view are as follows: 1. Assurance has been received from the CEO and CFO (refer to Section 11.3(b) below); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; The Company acknowledges that it is important to have sustainability and would implement appropriate policies and programmes when the opportunities arise.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2015. The Board has additionally relied on IA's reports issued to the Company for FY2015 in respect of the reviews on risk assessment as assurances that the Company's risk management and internal control systems are effective.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Audit Committee		
12.1 12.4	What is the role of the AC?	The AC is guided by the following key terms of reference: (a) review the audit plans and reports of the Company's internal and external auditors; (b) review the financial statements before submission to the Board for approval; (c) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance; (d) review and report to the Board at least annually on the effectiveness and adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls; (e) review the interested person transactions (within the definition of the Catalist Rules) involving the Group in accordance with the Catalist Rules; and (f) generally undertake such other functions and other duties as may be required by the Catalist Rules.
12.5	Has the AC met with the auditors in the absence of key management personnel?	Yes, the AC has met with the EA once and the IA twice in the absence of key management personnel in FY2015.
12.6	Has the AC reviewed the independence of the EA?	The AC had reviewed and is satisfied with the independence and objectivity of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	The fees paid/payable by the Company to the EA for audit and non-audit services for FY2015 amount to S$127,878 and S$3,067 respectively.
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	Not applicable
12.7	Does the Company have a whistle-blowing policy?	Yes. The AC has put in place a whistle-blowing policy that serves to provide a channel to employees to report in good faith and in confidence, without fear of reprisals and concerns about any improper conduct within the Group. In relation to whistle blowing by anyone else other than employees, the whistle blower may report any impropriety and/or concern in writing to the Company Secretary at the registered address of the Company. The Company Secretary has been tasked to forward any such report to the Chairman of the AC.

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>12.8</td><td>What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?</td><td>In FY2015, the AC:-

• Attended director courses as follows:-

<table><tr><th>Name of Director</th><th>Course attended</th></tr><tr><td>Mr Michael Kan Yuet Yun PBM</td><td>Corporate Governance Roundup 2015</td></tr><tr><td>Mr Chong Huai Seng</td><td>Corporate Governance Roundup 2015</td></tr></table>
• Was kept abreast by the EA of changes to accounting standards and issues which have direct impact on financial statements.</td></tr>
<tr><td colspan="3">Internal Audit</td></tr>
<tr><td>13.1
13.2
13.3
13.4
13.5</td><td>Please provide details of the Company's internal audit function, if any.</td><td>The Company's internal audit function is outsourced to Boardroom Corporate Services (KL) Sdn Bhd that reports directly to the AC Chairman and administratively to the CFO. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.</td></tr>
<tr><td colspan="3">SHAREHOLDER RIGHTS AND RESPONSIBILITIES</td></tr>
<tr><td colspan="3">Communication with Shareholders</td></tr>
<tr><td rowspan="3">15.2
15.3
15.4</td><td>(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</td><td rowspan="2">In line with the continuous disclosure obligations under the relevant rules, the Board informs shareholders promptly of all major developments that may have a material impact on the Group.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Information is disseminated to shareholders and investors on a timely basis through:

a) SGXNET announcements;
b) Annual Reports and Notices of AGM issued to all shareholders; and
c) The Company's AGMs.

In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors.

The Company does not have a dedicated investor relations team. The Company's CEO and COO are responsible for the Company's communication with shareholders.</td></tr>
<tr><td>(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?</td></tr>
<tr><td>(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?</td><td>Apart from the SGXNET announcements and its annual report, the Company may , if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders informed of corporate developments.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
15.5	Does the Company have a dividend policy?	The Company currently does not have a formal dividend policy. Generally, the Board looks into factors such as the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors before determining whether any dividend is to be declared and/or paid.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Board has not declared or recommended for FY2015, as the Company reported losses for FY2015.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Constitution does not allow for abstentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues continue to be a concern. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Voting by shareholders in all annual general meetings and extraordinary general meetings of the Company shall be by poll including during the forthcoming annual general meeting, and their detailed results will be announced via SGXNET after the conclusion of each general meeting. All minutes of general meetings will made available to shareholders upon their request within 14 days after they have made a request in writing in that behalf to the Company.

COMPLIANCE WITH APPLICABLE CATALIST RULES

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>712, 715 or 716</td><td>Appointment of Auditors</td><td>The Company confirms its compliance to the Catalist Rules 712 and 715.</td></tr>
<tr><td>1204(8)</td><td>Material Contracts</td><td>Save for the contracts as listed below, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

<table>
<tr><td>Share Acquisition</td><td>12 September 2013: Share sale agreement between the Company and Vindelta Limited ("Vindelta") wherein the Company bought shares in Monteco Holdings Limited from Vindelta ("2013 Share Acquisition").

30 June 2014: Extension of payment deadlines of the 2013 Share Acquisition from 28 February 2015 to 28 February 2017 on the same terms. Interest is charged at 2.6% per annum on the outstanding amount for the 2013 Shares Acquisition.</td></tr>
<tr><td>Loan</td><td>12 September 2013: Loan letter between the Company's subsidiary Plato Management Sdn Bhd ("PMSB") and Mr Lim Kian Onn wherein the latter has agreed to lend Ringgit Malaysia 5,000,000 to PMSB ("Loan").

30 June 2014: Extension of payment deadlines of the Loan from 28 February 2015 to 28 February 2017 on the same terms and interest rates. Interest is charged at 5.6% per annum on the outstanding amount for the Loan.</td></tr>
</table>

Following the end of FY2015, the Company had entered into the following material contracts with Mr LKO:

<table>
<tr><td>Undertaking</td><td>Letter of Undertaking dated 23 February 2016 wherein Mr LKO has undertaken to the Company that subject to the satisfaction of the conditions precedent as set out in the Share Sale Agreement, he shall subscribe for S$10 million in aggregate principal amount of redeemable convertible unsecured loan stocks to be issued by the Company on the terms and conditions of the said letter of undertaking, which include, inter alia, that:
(a) an interest rate of 0.5% per annum is payable in arrears at redemption of the RCULS by the RCULS Holder or at end of the tenure of the RCULS whichever is earlier. The interest payments can be made in cash or satisfied through the issue and allotment of additional Shares by the Company at the discretion of the RCULS Holder. If the RCULS Holder elects to receive shares in lieu of cash, the number of Shares to be issued shall be equal to the total interest payment due divided by an issue price equivalent to the Conversion Price; and
(b) the RCULS are convertible into Converted Shares at the Conversion Price by the RCULS Holder (exercisable at the option of the RCULS Holder) at any time on or after the date of issue of the RCULS up to the close of business on the date immediately preceding the Maturity Date. Unless previously converted, the Company will redeem each RCULS at one hundred per cent (100%) of its principal amount on the Maturity Date.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or
Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Undertaking</td><td>Letter of Undertaking dated 23 February 2016 wherein Mr LKO has undertaken to the Company that upon the Share Sale Agreement becoming unconditional and subject to regulatory approval, he will undertake the entire MGO, if required, in accordance with the provisions of the Malaysian Code.</td></tr>
<tr><td>Definitions</td><td>For the purpose of this section, the definitions of the capitalised terms are as follows:-
"Company" means Plato Capital Limited;
"Converted Shares" mean new Shares issued on the conversion of the RCULS;
"Conversion Price" means the price of S$0.13 for each Converted Share which will be issued upon conversion of the RCULS;
"ECM Libra" means ECM Libra Financial Group Berhad (Company No.713570-K), a public company incorporated in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad;
"Malaysian Code" means Malaysian Code on Take-Overs and Mergers, 2010;
"Maturity Date" means the date falling five (5) years after the date of issue of the RCULS;
"MGO" means a mandatory general offer pursuant to the Malaysian Code to acquire all the remaining shares in ECM Libra not already owned by the purchaser under the Share Sale Agreement and Mr LKO;
"Mr LKO" means Mr Lim Kian Onn, the Company's controlling shareholder and Non-Independent/Non-Executive Chairman;
"RCULS" mean S$10 million in aggregate principal amount of redeemable convertible unsecured loan stocks to be issued by the Company;
"RCULS Holder" means the holder of the RCULS from time to time and at any time;
"Shares" mean shares in the Company; and
"Share Sale Agreement" means the share sale agreement entered into on 23 February 2016 between Amcorp Group Berhad, Hikkaya Jaya Sdn Bhd, Arab-Malaysian (CSL) Sdn Bhd and Equity Vision Sdn Bhd as vendors and the Company's subsidiary Truesource Sdn Bhd as purchaser with respect to 74,194,973 ordinary shares in ECM Libra, which Truesource Sdn Bhd has on 07 March 2016 assigned its rights and obligations under the Share Sale Agreement to Truesource Pte. Ltd., another 100% subsidiary of the Company.

For the avoidance of doubt, the Share Sale Agreement and the issuance of RCULS are subject to shareholders approval at an extraordinary general meeting to be convened by the Company. Please refer to the Company's announcements dated 25 February 2016 and 7 March 2016 for further details of the aforementioned.</td></tr>
</table>
</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1204(10)	Confirmation of adequacy of internal controls	The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational, compliance and information technology risks based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA and EA; • assurance from the CEO and CFO; and • reviews done by the various Board Committees and key management personnel.
1204(17)	Interested Persons Transaction ("**IPT**")	The Group does not have a general mandate for recurrent IPT. There were no IPT of S$100,000 or more during the financial year.
1204(19)	Dealing in Securities	The Company has adopted and implemented an Internal Code of Conduct on Dealing in Securities which prohibits dealings in the Company's securities by directors and officers while in possession of price-sensitive information. The Company, its directors and officers are prohibited from dealing in the Company's shares during one month prior to the announcement of half and full year results. The directors and officers are discouraged from dealing in the Company's securities on short-term considerations. Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The implications of insider trading are clearly set out in the procedures and guidelines.
1204(21)	Non-sponsor fees	Non-sponsor fees of S$2,000 were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2015.

Profile of Board of Directors

MICHAEL KAN YUET YUN PBM
Independent Director
Appointed on 29 November 2002, last re-appointed on 23 April 2015; Age 76

Mr Michael Kan was previously an independent director of Singapore Exchange-listed Vibropower Corporation Ltd. Mr Kan was the Finance Director of BAT (Singapore) Ltd and Singapore Tobacco Co (Private) Ltd ("BAT group") from 1969 to 1999. Prior to joining the BAT group, Mr Kan was a practising accountant with Peat Marwick Mitchell & Company (now KPMG) in Singapore from 1967.

Mr Kan graduated with a Bachelor of Economics (Honours) degree from the University of Sydney. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Institute of Singapore Chartered Accountants. Mr Kan is also a member of the Singapore Institute of Directors.

Mr Kan has been actively involved in community and charity work. He served as Chairman of the Management Committee of Tanjong Pagar Community Club from 1996 to 2004 and as the Chairman of The Children's Aid Society (Melrose), a home for disadvantage children from 2003 to 2014. In recognition of his contributions to the community, Mr Kan was conferred the Pingat Bakti Masyarakat (PBM – Public Service Medal) in the 1998 National Day Awards.

CHONG HUAI SENG
Independent Director
Appointed on 12 September 2008, last re-elected on 25 April 2014; Age 65

Mr Chong is a director of The Artling Pte Ltd, an online art advisory and e-commerce company specialising in Asian contemporary art.

Mr Chong previously served as senior investment officer with the Economic Development Board of Singapore for two years, before joining the financial services sector in 1979. Mr Chong was the Managing Director of Vickers Da Costa Securities and John Govett Asia from 1984 to 1994. Between 1994 and 1997, he was the Managing Director of Sesdaq-listed Pan Pacific Public Company Ltd, and was the Vice Chairman and substantial shareholder of Panpac Media Limited from 1998 to 2003.

Mr Chong graduated from the University of Manchester with a Degree in Polymer Physics (First Class Honours).

LIM KIAN ONN
Chairman, Non-Independent & Non-Executive Director
Appointed on 28 December 1999, last re-elected on 25 April 2013; Age 59

Mr Lim Kian Onn is a member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, Mr Lim was with Hong Leong Group, Malaysia as Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales.

Mr Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002. The holding company of the ECM Libra Group, ECM Libra Financial Group Berhad ("ECMFG") is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa"). Mr Lim is the Managing Director and substantial shareholder of ECMFG, a Director of Air Asia X Berhad, a company listed on Bursa and a trustee of ECM Libra Foundation.

OH TEIK KHIM
Executive Director
Appointed on 31 October 2003, last re-elected on 23 April 2015; Age 61

Mr Oh Teik Khim has more than 30 years of experience in finance and general management and has been the Chief Operating Officer/ Chief Financial Officer of the Plato Group since 2001. Prior to joining the Group, Mr Oh has served in various senior positions in the Hong Leong Group Malaysia.

Mr Oh is an Associate of the Institute of Chartered Accountants in England and Wales.

Profile Of Key Management

GARETH LIM TZE XIANG

Mr Gareth Lim joined the Group in September 2009 as Head of Investments, responsible for the formulation and implementation of the Group's overall investment strategy. Mr Lim became the Chief Executive Officer of the Group in November 2010.

Mr Lim began his career as part of Morgan Stanley's mergers and acquisitions practice in Singapore. Prior to joining the Group, Mr Lim was a pioneer member of the management teams at Tune Hotels, Southeast Asia's leading chain of limited service hotels, and AirAsia X, the world's only low cost, long haul carrier, where he was responsible for the establishment and development of each company.

Mr Lim holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

CHIN JON WEI

Mr Chin Jon Wei joined the investment division of the Group in 2011. Mr Chin currently holds the position of Vice President, Invesments.

Mr Chin served his articleship in the audit department of a mid-tier accounting firm in Kuala Lumpur where he led teams of junior executives in the financial statement audits of both listed and owner-managed companies. Prior to joining the Group, Mr Chin was an equity analyst at UOB Kay Hian covering mid to large cap listed plantation companies within the South East Asian region.

Mr Chin is a CFA Charterholder, a member of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

CHOO SENG LAI

Mr Choo Seng Lai is currently Head of the Business Enterprise Division of the Group's subsidiary, Plato Solutions Sdn Bhd.

Mr Choo has over 20 years' experience in implementing Ross' ERP software products in the areas of financial, distribution, manufacturing and maintenance management in Malaysia and other countries such as Thailand, Germany, Brazil, India, Singapore, Hong Kong, Japan, China, Australia and the Philippines. Mr Choo also has more than 25 years of experience in the information technology industry.

LIM KIAN FAH

Ms Lim Kian Fah has been with the Group since October 2004 as Head of Legal & Corporate Affairs.

Prior to joining the Group, Ms Lim had about eight years' experience practising law in Malaysia primarily undertaking banking and corporate advisory work. She also served four years as an Executive Director of an Exchange Participant of the Stock Exchange of Hong Kong, with responsibilities that include securities trading control, credit control and ensuring compliance with regulatory requirements.

Directors' Statement

The directors hereby present their statement to the members together with the audited consolidated financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Lim Kian Onn
Gareth Lim Tze Xiang (Alternate Director to Lim Kian Onn)
Michael Kan Yuet Yun, PBM
Chong Huai Seng
Oh Teik Khim

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the particulars of interests of a director, who held office at the end of the financial year in shares of the Company are as follows:

	Direct interest		Deemed interest	
Name of Director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
(Ordinary shares)				
Lim Kian Onn	–	–	68,415,627	68,415,627

By virtue of Section 7 of the Act, Lim Kian Onn is deemed to have an interest in 68,415,627 shares (40,415,627 shares are held vide Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Lim Kian Onn and his spouse jointly and 28,000,000 shares are held vide DBSN Services Pte Ltd for A/c JPMorgan Bank Luxembourg SA re JPMorgan Private Bank). Pursuant to the same section of the Act, Lim Kian Onn is also deemed to have interest in all shares held by the Company in its subsidiaries. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the Register of the Directors' Shareholdings, the directors' interests as at 21 January 2016 in the shares of the Company have not changed from those disclosed as at 31 December 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

Audit committee

The audit committee of the Company is chaired by Michael Kan Yuet Yun, PBM, an independent director, and includes Chong Huai Seng, an independent director and Lim Kian Onn, a non-independent and non-executive director. The audit committee ("AC") performed its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50 as follows:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, the internal auditor's evaluation of the adequacy and effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Recommended to the board of directors the nomination and compensation of the external auditor and reviewed the scope and results of the external audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations;
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual; and
- Reviewed all non-audit services provided by the external auditor to the Group to ascertain that the nature and extent of such services would not affect the independence of the external auditor.

The AC convened three meetings during the year with full attendance from all members. The AC has also met with external auditor, without the presence of the Company's management, at least once a year.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Lim Kian Onn
Director

Oh Teik Khim
Director

30 March 2016

Independent Auditor's Report for the financial year ended 31 December 2015

Independent Auditor's Report to the Members of Plato Capital Limited

Report on the financial statements

We have audited the accompanying financial statements of Plato Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 29 to 100, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statements of changes in equity of the Group and the Company, the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
30 March 2016

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2015

	Note	2015	2014
		$	$
Revenue	4	1,480,069	1,468,429
Other income	5	26,132	175,300
		1,506,201	1,643,729
Other items of income/(expense)			
Fair value loss on investment property	12	–	(4,655,181)
Gain on disposal of a subsidiary	13	1,982,753	–
Purchase of software and services		(644,013)	(638,324)
Property management cost	12	(198,990)	(355,854)
Employee benefits expenses	6	(1,418,362)	(1,345,937)
Depreciation of property, plant and equipment	11	(36,116)	(37,905)
Foreign exchange loss, net		(387,586)	(109,433)
(Loss)/gain on disposal of available-for-sale financial assets		(11,348)	963,646
Impairment of available-for-sale financial assets	16	(36,911)	(648,284)
Other operating expenses		(645,102)	(725,523)
Bank charges		(3,853)	(4,164)
Finance costs	7	(690,900)	(768,167)
Share of profit/(loss) from joint venture		1,145,476	(610,576)
Share of loss from associates		(4,517,521)	(191,271)
Loss before tax	8	(3,956,272)	(7,483,244)
Income tax (expense)/credit	9	(126,489)	125,194
Loss for the year		(4,082,761)	(7,358,050)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	2015	2014
		$	$
Loss for the year		(4,082,761)	(7,358,050)
Other comprehensive loss:			
Item that will not be reclassified to profit or loss			
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate		(36,465)	(52,805)
Items that may be reclassified subsequently to profit or loss			
Net change in fair value reserve for available-for-sale financial assets:			
- (Loss)/gain on fair value changes of available-for-sale financial assets		(68,026)	68,026
Share of foreign currency translation reserve of joint venture		(1,237,918)	(478,987)
Share of foreign currency translation reserve of associates		(45,787)	637,196
Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary	13 (f)	29,522	–
Foreign currency translation		1,456,126	(47,106)
		133,917	179,129
Other comprehensive income for the year, net of tax		97,452	126,324
Total comprehensive loss for the year		(3,985,309)	(7,231,726)
Loss for the year attributable to:			
Owners of the Company		(3,267,565)	(6,125,160)
Non-controlling interests		(815,196)	(1,232,890)
		(4,082,761)	(7,358,050)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(3,701,659)	(6,138,258)
Non-controlling interests		(283,650)	(1,093,468)
		(3,985,309)	(7,231,726)
Loss per share (cents) attributable to owners of the Company			
Basic and diluted	10	(1.97)	(3.70)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets as at 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		$	$	$	$
Non-current assets					
Property, plant and equipment	11	4,341,357	4,485,124	–	–
Investment property	12	–	4,048,559	–	–
Investment in subsidiaries	13	–	–	3,830,657	4,420,911
Investment in joint venture	14	15,288,995	20,256,437	15,515,050	20,390,050
Investment in associates	15	17,940,266	18,514,441	–	–
Available-for-sale financial assets	16	336,164	641,987	–	–
		37,906,782	47,946,548	19,345,707	24,810,961
Current assets					
Trade receivables	17	298,661	447,729	–	–
Other receivables and deposits	18	45,252	45,795	–	19
Prepaid operating expenses		33,544	47,334	11,004	11,800
Deferred maintenance cost		257,312	213,189	–	–
Tax recoverable		62,259	36,851	–	–
Amounts due from subsidiaries	19	–	–	2,649,162	6,263,190
Amount due from joint venture	20	–	630,179	–	630,179
Cash and cash equivalents	21	5,974,555	2,900,341	4,937,831	695,414
		6,671,583	4,321,418	7,597,997	7,600,602
Total assets		44,578,365	52,267,966	26,943,704	32,411,563
Current liabilities					
Trade payables	22	147,920	179,320	–	–
Other payables and accruals	23	1,044,832	1,875,843	181,612	167,301
Deferred revenue		391,056	363,212	–	–
Amounts due to subsidiaries	19	–	–	4,421,459	8,677,113
Income tax payable		–	–	44,615	–
Loans and borrowings	24	6,587,000	6,053,920	–	–
		8,170,808	8,472,295	4,647,686	8,844,414
Net current (liabilities)/assets		(1,499,225)	(4,150,877)	2,950,311	(1,243,812)
Non-current liabilities					
Finance lease payables	26	–	3,596,358	–	–
Amounts due to related parties	27	5,079,555	5,581,936	850,007	828,841
		5,079,555	9,178,294	850,007	828,841
Total liabilities		13,250,363	17,650,589	5,497,693	9,673,255
Net assets		31,328,002	34,617,377	21,446,011	22,738,308
Equity					
Share capital	28	37,148,948	37,148,948	37,148,948	37,148,948
Fair value reserve	29	–	68,026	–	–
Foreign currency translation reserve	30	(5,352,559)	(5,012,018)	–	–
(Accumulated losses)/retained earnings		(2,817,859)	475,233	(15,702,937)	(14,410,640)
Equity attributable to owners of the Company		28,978,530	32,680,189	21,446,011	22,738,308
Non-controlling interests		2,349,472	1,937,188	–	–
Total equity		31,328,002	34,617,377	21,446,011	22,738,308
Total equity and liabilities		44,578,365	52,267,966	26,943,704	32,411,563

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity for the financial year ended 31 December 2015

	Attributable to owners of the Company						
	Share capital	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Group							
At 1 January 2015	37,148,948	68,026	(5,012,018)	475,233	32,680,189	1,937,188	34,617,377
Loss for the year	–	–	–	(3,267,565)	(3,267,565)	(815,196)	(4,082,761)
Other comprehensive income:							
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate	–	–	–	(25,527)	(25,527)	(10,938)	(36,465)
Net change in fair value reserve for available-for-sale financial assets	–	(68,026)	–	–	(68,026)	–	(68,026)
Share of foreign currency translation reserve of joint venture	–	–	(1,237,918)	–	(1,237,918)	–	(1,237,918)
Share of foreign currency translation reserve of associates	–	–	(320,819)	–	(320,819)	275,032	(45,787)
Realisation of foreign currency translation reserve to profit or loss upon disposal of subsidiary	–	–	20,665	–	20,665	8,857	29,522
Foreign currency translation	–	–	1,197,531	–	1,197,531	258,595	1,456,126
Other comprehensive income for the year, net of tax	–	(68,026)	(340,541)	(25,527)	(434,094)	531,546	97,452
Total comprehensive loss for the year	–	(68,026)	(340,541)	(3,293,092)	(3,701,659)	(283,650)	(3,985,309)
Transactions with owners							
Derecognition of non-controlling interests upon disposal of subsidiary	–	–	–	–	–	(135,050)	(135,050)
Waiver of debt taken into equity upon disposal of subsidiary	–	–	–	–	–	830,984	830,984
Total transactions with owners	–	–	–	–	–	695,934	695,934
At 31 December 2015	37,148,948	–	(5,352,559)	(2,817,859)	28,978,530	2,349,472	31,328,002

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Attributable to owners of the Company						
	Share capital	Fair value reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Group							
At 1 January 2014	37,148,948	–	(4,967,858)	6,637,357	38,818,447	3,030,656	41,849,103
Loss for the year	–	–	–	(6,125,160)	(6,125,160)	(1,232,890)	(7,358,050)
Other comprehensive income:							
Share of other comprehensive loss on re-measurement of the defined benefits obligations of an associate	–	–	–	(36,964)	(36,964)	(15,841)	(52,805)
Net change in fair value reserve for available-for-sale financial assets	–	68,026	–	–	68,026	–	68,026
Share of foreign currency translation reserve of joint venture	–	–	(478,987)	–	(478,987)	–	(478,987)
Share of foreign currency translation reserve of associates	–	–	392,545	–	392,545	244,651	637,196
Foreign currency translation	–	–	42,282	–	42,282	(89,388)	(47,106)
Other comprehensive income for the year, net of tax	–	68,026	(44,160)	(36,964)	(13,098)	139,422	126,324
Total comprehensive loss for the year	–	68,026	(44,160)	(6,162,124)	(6,138,258)	(1,093,468)	(7,231,726)
At 31 December 2014	37,148,948	68,026	(5,012,018)	475,233	32,680,189	1,937,188	34,617,377

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Attributable to equity holders of the Company		
	Share capital	Accumulated losses	Total equity
	$	$	$
Company			
2015			
At 1 January 2015	37,148,948	(14,410,640)	22,738,308
Loss for the year, representing total comprehensive loss for the year	–	(1,292,297)	(1,292,297)
At 31 December 2015	37,148,948	(15,702,937)	21,446,011
2014			
At 1 January 2014	37,148,948	(12,551,514)	24,597,434
Loss for the year, representing total comprehensive loss for the year	–	(1,859,126)	(1,859,126)
At 31 December 2014	37,148,948	(14,410,640)	22,738,308

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement for the financial year ended 31 December 2015

	2015	2014
	$	$
Cash flows from operating activities:		
Loss before tax	(3,956,272)	(7,483,244)
Adjustments for:		
Interest income from bank deposits	(26,132)	(42,775)
Fair value loss on investment property	–	4,655,181
Gain on disposal of a subsidiary	(1,982,753)	–
Interest expenses	690,900	768,167
Depreciation of property, plant and equipment	36,116	37,905
Loss/(gain) on disposal of available-for-sale financial assets	11,348	(963,646)
Impairment of available-for-sale financial assets	36,911	648,284
Share of (profit)/loss from joint venture	(1,145,476)	610,576
Dividend income from investment securities	(14,470)	(37,636)
Share of loss from associates	4,517,521	191,271
Unrealised foreign exchange loss, net	365,147	106,949
Operating loss before working capital changes	(1,467,160)	(1,508,968)
Receivables	(58,004)	77,336
Amount due from joint venture	630,179	616,692
Payables	(376,975)	(466,232)
Cash flows used in operations	(1,271,960)	(1,281,172)
Income tax paid	(156,255)	(70,788)
Net cash flows used in operating activities	(1,428,215)	(1,351,960)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(83,073)	(147,511)
Proceeds from disposal of available-for-sale financial assets	227,859	2,921,640
Proceeds from disposal of a subsidiary	2,291,763	–
Investment in associates	(4,025,598)	(1,620,365)
Redemption of preference shares in a joint venture	4,875,000	–
Dividends received from investment securities	14,470	37,636
Net cash generated from investing activities	3,300,421	1,191,400

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	2015	2014
	$	$
Cash flows from financing activities		
Interest paid	(488,034)	(570,902)
Interest received from bank deposits	26,132	42,775
Proceeds from bank borrowings	1,317,400	–
Net cash generated from/(used in) financing activities	855,498	(528,127)
Net increase/(decrease) in cash and cash equivalents	2,727,704	(688,687)
Effect of exchange rate changes on cash and cash equivalents	346,510	131,710
Cash and cash equivalents at 1 January	2,900,341	3,457,318
Cash and cash equivalents at 31 December (Note 21)	5,974,555	2,900,341

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements for the financial year ended 31 December 2015

1. Corporate information

Plato Capital Limited (the "Company") is a limited liability company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The principal place of business of the Group is located at Ground Floor, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("$").

Fundamental accounting concept

The consolidated financial statements have been prepared on a going concern basis notwithstanding the excess of current liabilities over current assets of $1,499,225 (2014: $4,150,877) as the Directors are of the view that the Group will continue as a going concern. The Directors' view is based on the ability of the Group to continue to have access to banking facilities available to the Group with the support of Mr Lim Kian Onn ("Mr LKO") as guarantor to those facilities. As at the date of these financial statements, Mr LKO has provided a commitment to the Group to continue to provide and not withdraw such personal guarantee so as to enable the Group to have continuous access to these banking facilities. The Directors are also of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

The Group currently measures its investments in unquoted equity securities at cost. Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

2. Summary of significant accounting policies (cont'd)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currencies

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to the non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

Computer equipment	–	3 years
Motor vehicles	–	5 years
Furniture and fittings	–	5 years
Office renovation	–	5 years
Office equipment	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2. Summary of significant accounting policies (cont'd)

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.12.

2. Summary of significant accounting policies (cont'd)

2.12 Associates and joint venture

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint venture are eliminated to the extent of the interest in the associates or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associates or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates or joint venture are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate or joint venture used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. In any case, the difference between the end of the reporting period of the associate or joint venture and that of the investor shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period.

When the financial statements of an associate or joint venture used in applying the equity method are as of a reporting date or for a period that is different from that of the Company, the reporting date of the financial statements of the associates or joint venture and the reason for using a different reporting date or different period shall be disclosed.

Upon loss of significant influence or joint control over the associates or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets include equity securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments which are unquoted are measured at cost less impairment loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of financial assets

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.14 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. Summary of significant accounting policies (cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore and the Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.19 Employee benefits (cont'd)

(c) *Defined benefit plans*

The costs of providing benefits under defined benefit plans of certain subsidiaries of an associate are determined separately for each plan using the projected unit credit actuarial valuation method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the associate recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The associate recognises the following changes in the net defined benefit obligation in the consolidated statement of profit or loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

2.20 Leases

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(f). Contingent rents are recognised as revenue in the period in which they are earned.

2. Summary of significant accounting policies (cont'd)

2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from license fees and services are recognised based on milestone billings measured by reference to the stage of completion of the projects.

Revenue from service maintenance is recognised evenly over the term of the contract and unrecognised amount is deferred and classified as deferred revenue.

Revenue from facilitation services is recognised when the services are rendered.

(c) Interest income from provision of credit facilities

Interest income from provision of credit facilities is recognised by using effective interest method and is accounted for monthly by reference to periods that are stipulated in the financing agreement.

(d) Interest income from bank deposits

Interest income is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(f) Rental income

Revenue arising from rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.22 Taxes

(a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. Significant accounting judgments and estimates (cont'd)

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Impairment of available-for-sale quoted equity investments

The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. Accordingly, the Group has recognised an impairment loss of $36,911 at 31 December 2015 (2014: $Nil) due to significant and prolonged decline in the fair value of its quoted equity investments. The carrying amount of quoted available-for-sale equity investments as at 31 December 2015 was $336,164 (2014: $641,987).

(b) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(c) Impairment in investment in joint venture and associates

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture and associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in joint venture and associates are impaired. Judgment is required to determine if any such evidence exists. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and associates and its carrying value and recognises the amount in profit or loss. No impairment was recognised for the financial years ended 31 December 2015 and 2014.

3.2 Key sources of estimation uncertainty

They key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment in investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the fair value less cost to sell which approximates the extent of the net assets held by the subsidiaries at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries to its recoverable amount. For the financial year ended 31 December 2015, impairment loss of $918,468 (2014: $383,900) was recognised in profit or loss, representing a write-down in the value of three subsidiaries to their total recoverable amount.

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Impairment in investment in subsidiaries (cont'd)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. There was no reversal of impairment loss in relation to investment in any of the subsidiaries of the Group for the financial year ended 31 December 2015 (2014: $Nil).

4. Revenue

	Group	
	2015	**2014**
	$	$
Revenue from:		
- sale of goods	–	16,501
- license fees and services	891,260	805,270
- service maintenance	528,337	560,404
Dividend income	14,470	37,636
Rental income	46,002	48,618
	1,480,069	1,468,429

5. Other income

	Group	
	2015	**2014**
	$	$
Interest income from bank deposits	26,132	42,775
Insurance claims	–	81,287
Miscellaneous income	–	51,238
	26,132	175,300

6. Employee benefits expenses

	Group	
	2015	**2014**
	$	$
Salaries and wages	1,256,910	1,169,640
Defined contribution plans	113,506	113,792
Other employee benefits	47,946	62,505
	1,418,362	1,345,937

Employee benefits expenses include the amounts shown as Directors' remuneration in Note 31.

7. Finance costs

	Group	
	2015	2014
	$	$
Interest expense on finance lease	172,360	284,524
Interest expense on bank borrowings	405,089	356,505
Interest expense on borrowings from related parties	113,451	127,138
	690,900	768,167

8. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2015	2014
	$	$
Audit fees:		
- auditors of the Company	102,429	100,991
- other auditors	25,449	24,785
Non-audit fees:		
- other auditors	3,067	3,241
Operating lease expenses	52,616	57,475

There were no non-audit fees paid to the auditor of the Company for the financial years ended 31 December 2015 and 2014.

9. Income tax expense/(credit)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 31 December 2015 and 2014 are:

	Group	
	2015	2014
	$	$
Current income tax		
- Current income taxation	121,835	–
- Under provision in respect of previous years	4,654	2,154
	126,489	2,154
Deferred tax (Note 25)		
- Reversal of temporary differences	–	(127,348)
Income tax expense/(credit) recognised in profit or loss	126,489	(125,194)

9. Income tax expense/(credit) (cont'd)

Relationship between tax expense/(credit) and accounting loss

A reconciliation between tax expense/(credit) and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 are as follows:

	Group	
	2015	2014
	$	$
Accounting loss before tax	(3,956,272)	(7,483,244)
Tax at the domestic rates applicable to losses in the countries where the Group operates	(806,804)	(1,748,877)
Adjustments:		
Non-deductible expenses	707,148	1,643,247
Income not subject to taxation	731	–
Effects of disposal of subsidiary subject to real property gains tax	121,835	–
Effect on change in tax rate for real property gains tax	–	(127,348)
Deferred tax assets not recognised	106,563	111,545
Utilisation of previously unabsorbed capital allowances	(7,638)	(5,915)
Under provision of income tax in respect of previous years	4,654	2,154
Income tax expense/(credit) recognised in profit or loss	126,489	(125,194)

10. Loss per share

Basic loss per share is calculated by dividing loss net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing loss net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2015	2014
Loss attributable to owners of the Company ($)	(3,267,565)	(6,125,160)
Weighted average number of ordinary shares	165,451,344	165,451,344
Basic and diluted loss per share (cents)	(1.97)	(3.70)

The Group did not have any dilutive potential ordinary shares in the financial years ended 31 December 2015 and 2014.

11. Property, plant and equipment

Group	Freehold land	Computer equipment	Motor vehicles	Furniture and fittings	Office renovation	Office equipment	Total
	$	$	$	$	$	$	$
Cost							
At 1 January 2014	4,679,647	171,268	–	6,927	84,130	33,094	4,975,066
Additions	78,530	13,045	55,936	–	–	–	147,511
Exchange differences	(369,711)	(2,909)	–	(117)	(1,427)	(561)	(374,725)
At 31 December 2014 and 1 January 2015	4,388,466	181,404	55,936	6,810	82,703	32,533	4,747,852
Additions	73,757	9,316	–	–	–	–	83,073
Exchange differences	(178,028)	(23,731)	(7,247)	(883)	(10,715)	(4,215)	(224,819)
At 31 December 2015	4,284,195	166,989	48,689	5,927	71,988	28,318	4,606,106
Accumulated depreciation							
At 1 January 2014	–	147,733	–	5,633	44,997	30,350	228,713
Depreciation charge for the year	–	16,838	3,730	136	16,545	656	37,905
Exchange differences	–	(2,513)	–	(96)	(768)	(513)	(3,890)
At 31 December 2014 and 1 January 2015	–	162,058	3,730	5,673	60,774	30,493	262,728
Depreciation charge for the year	–	12,171	9,745	119	13,510	571	36,116
Exchange differences	–	(21,034)	(491)	(735)	(7,884)	(3,951)	(34,095)
At 31 December 2015	–	153,195	12,984	5,057	66,400	27,113	264,749
Net carrying amount							
At 31 December 2014	4,388,466	19,346	52,206	1,137	21,929	2,040	4,485,124
At 31 December 2015	4,284,195	13,794	35,705	870	5,588	1,205	4,341,357

11. Property, plant and equipment (cont'd)

The freehold land of the Group consists of the cost of acquisition of certain properties in Ireland by a subsidiary, Monteco Holdings Limited ("Monteco"). The entire acquisition cost has been allocated to the cost of freehold land, as the current intention of the Group is to re-develop the properties into an integrated hotel. As at 31 December 2015, the approvals for the re-development of the properties have not yet been obtained from the relevant authorities.

12. Investment property

	Group	
	2015	**2014**
	$	$
Balance sheet:		
At 1 January	4,048,559	8,852,700
Disposal of subsidiary (Note 13 (f))	(3,432,774)	–
Net loss from fair value adjustments recognised in profit or loss	–	(4,655,181)
Exchange differences	(615,785)	(148,960)
At 31 December	–	4,048,559

	2015	**2014**
	$	$
Income statement:		
Rental income from investment property:		
- Minimum lease payments	–	–
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating property	198,990	355,854

During the year, the Company and the non-controlling interest shareholders had entered into a conditional share sale agreement with two independent third parties to dispose of the entire share capital of a subsidiary, Plato-Straits Heritage Sdn. Bhd ("PSHSB"), which held the registered lease of the investment property, for a total cash consideration of RM9,918,830 (equivalent to approximately S$3,323,204). This transaction was completed in September 2015.

13. Investment in subsidiaries

	Company	
	2015	2014
	$	$
Unquoted shares, at cost:		
At 1 January	10,879,900	10,879,900
Add: Increase in investment in subsidiaries	358,270	–
Less : Disposal of a subsidiary	(30,056)	–
	11,208,114	10,879,900
Less: Accumulated impairment losses	(7,377,457)	(6,458,989)
At 31 December	3,830,657	4,420,911

(a) *Composition of the Group*

The Group has the following investment in subsidiaries:

	Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
				2015	2014
				%	%
	Held by the Company:				
+	Plato Private Limited	Singapore	Investment holding	100	100
+	Positive Carry Pte. Ltd.	Singapore	Investment holding	100	100
#	Plato Capital Sdn Bhd	Malaysia	Provision of credit facilities	100	100
#	Plato-Straits Heritage Sdn Bhd	Malaysia	Property management	–	70
#	Plato-Straits Heritage Properties Sdn Bhd	Malaysia	Property management	100	70
*	Plato Aviation Holdings Limited	British Virgin Islands	Aviation and investment holding	100	100
*	Monteco Holdings Limited	British Virgin Islands	Development and operation of hotel	60	60
*	Asian Strategic Investments Group Limited	British Virgin Islands	Investment holding	100	100
@	Plato Hong Kong Limited	Hong Kong	Investment holding	100	100
##	PKTech India Private Limited	India	Dormant	99.99	99.99
##	PT PKTech Indonesia	Indonesia	Dormant	100	100

13. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

	Name of subsidiaries	Country of incorporation	Principal activities	Percentage of interest held by the Group	
				2015	2014
				%	%
	Held through the subsidiaries:				
#	Plato Solutions Sdn Bhd	Malaysia	Provision of systems integration related activities and eCommerce systems and services	100	100
#	Plato Management Sdn Bhd	Malaysia	Provision of management services	100	100
*	Positive Carry Limited ("Positive Carry")	British Virgin Islands	Investment holding	70	70
#	Positive Carry Sdn Bhd	Malaysia	Investment holding	70	70
*	Plato Capital Investment Fund	Cayman Islands	Investment fund	100	100

Notes:

+	Audited by Ernst & Young LLP, Singapore.
#	Audited by member firm of EY Global in Malaysia.
@	Audited by RSM Nelson Wheeler, Hong Kong.
*	Not required to be audited under laws of the countries of incorporation.
##	No auditors are appointed.

13. Investment in subsidiaries (cont'd)

(b) *Interest in subsidiaries with material non-controlling interest ("NCI")*

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
		%	$	$
31 December 2015:				
PSHSB	Malaysia	30	(124,478)	–
Monteco	British Virgin Islands	40	(4,070)	1,534,348
Positive Carry	British Virgin Islands	30	(686,648)	815,124
			(815,196)	2,349,472
31 December 2014:				
PSHSB	Malaysia	30	(1,543,329)	(517,427)
Monteco	British Virgin Islands	40	(13,814)	1,603,522
Positive Carry	British Virgin Islands	30	324,253	851,093
			(1,232,890)	1,937,188

(c) *Summarised financial information about subsidiaries with material NCI*

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	PSHSB		Monteco		Positive Carry	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Current						
Assets	–	34,249	45,466	121,106	2,371,597	2,724,317
Liabilities	–	(2,211,206)	(502,090)	(509,067)	(9,446,847)	(9,959,419)
Net current liabilities	–	(2,176,957)	(456,624)	(387,961)	(7,075,250)	(7,235,102)
Non-current						
Assets	–	4,048,558	4,292,495	4,396,766	12,162,652	12,795,161
Liabilities	–	(3,596,358)	–	–	(2,370,317)	(2,723,083)
Net non-current assets	–	452,200	4,292,495	4,396,766	9,792,335	10,072,078
Net (liabilities)/assets	–	(1,724,757)	3,835,871	4,008,805	2,717,085	2,836,976

13. Investment in subsidiaries (cont'd)

(c) *Summarised financial information about subsidiaries with material NCI (cont'd)*

Summarised statements of comprehensive income

	PSHSB		Monteco		Positive Carry	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Revenue	–	–	46,002	48,618	–	–
(Loss)/profit before tax	(414,928)	(5,271,779)	(5,521)	(31,122)	(2,288,827)	1,080,842
Income tax credit/ (expense)	–	127,348	(4,654)	(3,413)	–	–
(Loss)/profit after tax	(414,928)	(5,144,431)	(10,175)	(34,535)	(2,288,827)	1,080,842
Other comprehensive (loss)/income	2,589,851	(57,636)	(162,759)	(345,226)	2,168,937	982,676
Total comprehensive (loss)/income	2,174,923	(5,202,067)	(172,934)	(379,761)	(119,890)	2,063,518

Other summarised information

	PSHSB		Monteco		Positive Carry	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Net cash flows (used in)/ from operations	(414,928)	(272,768)	(5,521)	(35,715)	(3,601,900)	41,884

(d) *Impairment testing of investment in subsidiaries*

During the financial year, management performed an impairment test for the investments in Plato Capital Sdn Bhd ("PCSB") and Plato Private Limited ("PPL"). These subsidiaries are wholly-owned by the Company. The Company has written down the investments in PCSB and PPL to their recoverable amount based on their respective fair value less cost to sell which approximates the extent of the net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of $918,468 (2014: $383,900) was recognised for the year ended 31 December 2015.

(e) *Additional investment in an existing subsidiary*

In the current financial year, the Company has subscribed for an additional 1,000,000 ordinary shares of RM1 each in Plato Capital Sdn Bhd by way of cash injection of RM1,000,000 ($358,270).

13. Investment in subsidiaries (cont'd)

(f) *Disposal of a subsidiary*

As stated in Note 12, the Company and non-controlling interest shareholders have completed the disposal of PSHSB in September 2015 for a total cash consideration of RM9,918,830 (equivalent to approximately $3,323,204). The Company's share of the net disposal proceeds amounted to $2,297,870.

The disposal had the following effects on the financial position of the Group as at year end:

	$
Investment property (Note 12)	3,432,774
Other receivables	82,700
Cash and cash equivalents	6,107
Other payables	(7,592)
Lease payable	(3,093,344)
Derecognition of non-controlling interests	(135,050)
	285,595
Realisation of foreign exchange translation reserve	29,522
Total disposal proceeds	2,297,870
Gain on disposal	1,982,753

Cash inflow arising from disposal:	
Cash consideration	2,297,870
Cash and cash equivalents of subsidiary disposed	(6,107)
Net cash disposal inflow on disposal	2,291,763

14. Investment in joint venture

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Equity shares, at cost	50	50	50	50
Redeemable preference shares	15,515,000	20,390,000	15,515,000	20,390,000
Share of post-acquisition results	2,991,792	1,846,316	–	–
Share of other comprehensive income	(3,217,847)	(1,979,929)	–	–
Carrying amount	15,288,995	20,256,437	15,515,050	20,390,050

During the year, the Company has redeemed preference shares amounting to $4,875,000 (2014: $Nil).

The details of the joint venture are as follows:

	Name of joint venture	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
				2015	2014
				%	%
	Held by the Company:				
*	TP Real Estate Holdings Pte Ltd ("TPRE")	Singapore	Investment holding	50	50
	Held by TPRE and/or its subsidiaries:				
	TP Melbourne Sdn Bhd	Malaysia	Investment holding	50	50
	TP Hotel (Melbourne) Trust	Australia	Investment holding	50	50
	TP Melbourne Pty Limited	Australia	Trustee of TP Hotel (Melbourne) Trust	50	50
	TP Services (Melbourne) Pty Limited	Australia	Hotel operation	50	50
	TP Edinburgh (BVI) Limited	British Virgin Islands	Investment holding	50	50
	TP Hotel (Edinburgh) Limited	British Virgin Islands	Investment holding	50	50
	TP London (BVI) Limited	British Virgin Islands	Dormant	50	50
	TP Ipoh Sdn Bhd	Malaysia	Members' voluntary winding up	50	50
	TP Services (Edinburgh) Limited	United Kingdom	Hotel operation	50	50
	TP Sepang Sdn Bhd	Malaysia	Hotel operation	50	50

* Audited by Ernst & Young LLP, Singapore.

14. Investment in joint venture (cont'd)

The statutory financial statements of TPRE are made up to 30 September each year. For the purpose of applying the equity method of accounting, management accounts made up to 31 December were used.

The Group's commitments in respect of its interest in TPRE are disclosed in Note 33.

The Group's contingent liabilities in respect of its investment in joint venture are disclosed in Note 34.

Summarised financial information in respect of the Group's joint venture and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheets

	2015 $	2014 $
Cash and cash equivalents	8,584,753	6,627,328
Other current assets	2,358,213	4,747,723
Total current assets	10,942,966	11,375,051
Non-current assets	79,222,882	88,029,240
Total assets	90,165,848	99,404,291
Trade and other payables and provisions	(4,849,322)	(4,870,193)
Other current financial liabilities	–	(11,850,282)
Total current liabilities	(4,849,322)	(16,720,475)
Other non-current financial liabilities	(54,738,536)	(42,170,942)
Total non-current liabilities	(54,738,536)	(42,170,942)
Total liabilities	(59,587,858)	(58,891,417)
Net assets	30,577,990	40,512,874
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing the carrying amount of the investment	15,288,995	20,256,437

14. Investment in joint venture (cont'd)

Summarised statement of comprehensive income

	2015	2014
	$	$
Revenue	20,415,652	16,727,371
Depreciation expense	(4,012,974)	(3,790,408)
Other operating expenses, net	(9,680,371)	(10,375,441)
Interest expense	(3,205,466)	(3,748,309)
Profit/(loss) before tax	3,516,841	(1,186,787)
Income tax expense	(1,225,889)	(34,366)
Profit/(loss) after tax	2,290,952	(1,221,153)
Other comprehensive loss	(2,475,836)	(957,973)
Total comprehensive loss	(184,884)	(2,179,126)

15. Investment in associates

	Group	
	2015	2014
	$	$
Shares, at cost	22,555,075	18,529,477
Share of post-acquisition loss	(4,786,425)	(268,904)
Share of other comprehensive income	171,616	253,868
	17,940,266	18,514,441

The details of the associates are as follows:

	Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
				2015	2014
				%	%
	Held through Positive Carry Sdn Bhd:				
*	TYK Capital Sdn Bhd ("TYKC")	Malaysia	Investment holding and provision of management services	18.9	18.9

15. Investment in associates (cont'd)

Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
			2015	2014
			%	%
Held through TYKC:				
Eng Teknologi Holdings Sdn. Bhd.	Malaysia	Dormant	18.9	18.9
Eng Hardware Engineering Sdn. Bhd.	Malaysia	Renting of properties	18.9	18.9
Eng Teknologi Sdn. Bhd.	Malaysia	Manufacture and sale of precision mechanical components, automation system for computer peripherals and semiconductor industries	18.9	18.9
Selekta Inovatif (M) Sdn. Bhd.	Malaysia	Renting of properties	18.9	18.9
Micro Tooling Sdn. Bhd.	Malaysia	Dormant	18.9	18.9
Engtek R & D Sdn. Bhd.	Malaysia	Dormant	18.9	18.9
Engtek Philippines, Inc. ("ETPI")	Philippines	Facility provider	18.9	18.9
Engtek International Limited ("ETIL")	Hong Kong	Trading and marketing of precision engineering components	17.0	17.0
Altum Precision Pte. Ltd. ("APS")	Singapore	Trading and marketing of precision engineering components	18.9	18.9
Engtek (Thailand) Co., Ltd.	Thailand	Dormant	18.9	18.9

15. Investment in associates (cont'd)

	Name of associate	Country of incorporation	Principal activities	Effective percentage of interest held by the Group	
				2015	2014
				%	%
	Held through ETPI:				
	Engtek Precision Philippines, Inc.	Philippines	Manufacture of precision engineering components and assemblies, precision tools, fixtures, jigs, moulds and dies	18.9	18.9
	Held through ETIL:				
	Engtek Dongguan Electronics Limited	China	Manufacture and sale of hard disk drive and high precision electronic components	17.0	17.0
	Held through APS:				
	Altum Precision Co., Ltd.	Thailand	Manufacture and sale of electronic and computer parts and equipment	18.9	18.9
	Altum Precision Sdn. Bhd.	Malaysia	Automated die-casting and precision machining	18.9	18.9
	Held through Asian Strategic Investments Group Limited/Plato Capital Sdn Bhd:				
*	Educ8 Group Sdn Bhd ("Educ8")	Malaysia	Investment holding	31.99	27.57
	Held through Educ8				
	Epsom College Malaysia Sdn Bhd	Malaysia	Operator of preparatory and senior boarding schools	31.99	27.57

* Audited by member firm of EY Global in Malaysia.

The Group's contingent liabilities in respect of its investment in associates are disclosed in Note 34.

15. Investment in associates (cont'd)

Summarised financial information in respect of the Group's associates, adjusted for entries to facilitate the equity accounting by the Group is set out as follows:

Summarised balance sheets

	TYKC		Educ8	
	2015	2014	2015	2014
	$	$	$	$
Cash and cash equivalents	15,602,903	18,688,195	2,620,020	1,739,803
Other current assets	49,926,048	76,854,173	2,557,891	2,186,333
Total current assets	65,528,951	95,542,368	5,177,911	3,926,136
Non-current assets	37,889,083	52,064,407	56,960,856	65,719,720
Total assets	103,418,034	147,606,775	62,138,767	69,645,856
Trade and other payables and provisions	(29,313,191)	(54,998,251)	(9,391,176)	(8,494,303)
Other current liabilities	(13,053,901)	(26,165,386)	(2,402,213)	(2,595,475)
Total current liabilities	(42,367,092)	(81,163,637)	(11,793,389)	(11,089,778)
Total non-current liabilities	(16,004,190)	(19,053,657)	(32,284,600)	(37,811,496)
Total liabilities	(58,371,282)	(100,217,294)	(44,077,989)	(48,901,274)
Net assets	45,046,752	47,389,481	18,060,778	20,744,582
Group's share of net assets, representing the carrying amount of the investment	12,162,623	12,795,160	5,777,643	5,719,281

Summarised statement of comprehensive income

	TYKC		Educ8	
	2015	2014	2015	2014
	$	$	$	$
Revenue	155,480,880	205,794,053	6,179,087	1,823,760
Interest income	69,843	65,607	22,531	–
Depreciation expense	(9,715,089)	(10,614,638)	(1,231,412)	(414,731)
Other operating expenses, net	(137,384,320)	(185,422,296)	(12,520,432)	(6,503,720)
Interest expense	(8,928,094)	(5,367,354)	(1,842,406)	(407,253)
(Loss)/profit before tax	(476,780)	4,455,372	(9,392,632)	(5,501,944)
Income tax (expense)/credit	(5,126,249)	454,314	–	–
(Loss)/profit after tax	(5,603,029)	4,909,686	(9,392,632)	(5,501,944)
Other comprehensive income/(loss)	3,260,411	3,020,385	(3,008,949)	(838,277)
Total comprehensive (loss)/income	(2,342,618)	7,930,071	(12,401,581)	(6,340,221)

15. Investment in associates (cont'd)

In 2012, a 70% owned subsidiary of the Group, Positive Carry Sdn Bhd, subscribed for Redeemable Convertible Preference Shares ("RCPS") issued by TYK Capital Sdn Bhd ("TYKC") with the option to convert the RCPS into a fixed 27% equity interest in TYKC at any time. Positive Carry Sdn Bhd is represented on the board of directors of TYKC and the shareholders' agreement contain certain reserved operating and financial matters which require the unanimous decision of the board of directors of TYKC. Accordingly, the Group has classified investment in TYKC as investment in associates. The effective interest of the Group in TYKC, after accounting for the share of non-controlling interest is 18.9% (2014: 18.9%).

The Group's cost of investment in Educ8 increased by $4,025,598 from $9,092,677 to $13,116,275 as at 31 December 2015, following the subscription of rights issued by this associate. Consequently, the Group's effective interest in this associate increased from 27.57% to 31.99% in the current year.

The associates have entered into term loan agreements with licensed banks in Malaysia which contain covenants that restrict the ability of these associates to declare dividends prior to the full settlement of the term loans.

16. Available-for-sale financial assets

	Group	
	2015	2014
	$	$
Unquoted equity securities, at cost	648,285	648,285
Accumulated impairment loss	(648,284)	(648,284)
	1	1
Quoted equity securities, at fair value	336,163	641,986
Total	336,164	641,987

The investment in unquoted equity securities is stated at cost less accumulated impairment as its fair value cannot be determined reliably. In the prior financial year, the Group had performed an impairment assessment and had recognised an impairment loss of $648,284.

The fair values of the quoted equity securities are based on closing quoted market prices on the last market day of the financial year (Level 1 of the fair value hierarchy) (Note 35).

During the current financial year, the Group recognised an impairment loss of $36,911 (2014: $Nil) of its investment in quoted equity securities due to significant and prolonged decline in the fair value of these investments.

The currency profiles of the Group's available-for-sale financial assets are as follows:

	Group	
	2015	2014
	$	$
Malaysian Ringgit	336,163	504,983
Hong Kong Dollar	–	137,003
United States Dollar	1	1
	336,164	641,987

17. Trade receivables

Trade receivables are generally on 30 to 90 (2014: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

All trade receivables are non-interest bearing.

Trade receivables denominated in foreign currencies at 31 December are as follows:

	Group	
	2015	2014
	$	$
Malaysian Ringgit	280,219	423,562
Philippine Peso	–	115
United States Dollar	16,015	20,646

Receivables that are past due but not impaired

The Group has trade receivables amounting to $47,375 (2014: $31,942) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2015	2014
	$	$
Past due 3 to 6 months	41,707	2,559
More than 6 months	5,668	29,383
	47,375	31,942

Receivables that are impaired

There were no receivables that are impaired. Consequently, no movement in the allowance accounts has been presented.

18. Other receivables and deposits

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Sundry deposits	24,509	35,755	–	–
Interest income accrued	1,325	1,313	–	19
Sundry receivables	19,418	8,727	–	–
	45,252	45,795	–	19

Other receivables and deposits denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Malaysian Ringgit	33,520	43,878	–	–
Euro	11,389	1,562	–	–
Others	343	355	–	19

19. Amounts due from/(to) subsidiaries

The amounts due from/(to) subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are expected to be settled in cash.

20. Amount due from joint venture

The amount due from joint venture is non-trade related, unsecured, interest-free and repayable on demand. The amount has been fully repaid in cash during the current financial year.

21. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Cash at banks and on hand	997,935	2,141,527	290,560	163,070
Short-term deposits	4,976,620	758,814	4,647,271	532,344
	5,974,555	2,900,341	4,937,831	695,414

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 30 days (2013: between 1 day and 30 days), depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. The range of effective interest rates as at 31 December 2015 for the Group was 0.09% to 3.70% (2014: 0.19% to 3.15%) per annum.

21. Cash and cash equivalents (cont'd)

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Malaysian Ringgit	621,580	1,545,305	–	–
United States Dollar	124,618	7,654	–	–
Hong Kong Dollar	225,178	502,135	–	–
Euro	46,178	130,937	–	–
British Pound	4,647,271	532,344	4,647,271	532,344
Others	18,900	18,778	57	440

22. Trade payables

Trade payables are non-interest bearing and are normally settled on a 60 (2014: 60) days term.

Trade payables denominated in foreign currencies at 31 December are as follows:

	Group	
	2015	2014
	$	$
United States Dollar	147,920	153,157
Malaysian Ringgit	–	26,163

23. Other payables and accruals

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Sundry payables	151,759	72,488	23,576	4,579
Amounts due to non-controlling interests of a subsidiary	–	953,492	–	–
Amount due to a substantial shareholder	224,712	234,238	–	–
Deposits received from customers	5,306	9,822	–	–
Accrued staff expenses, bonuses and benefits	170,094	181,667	–	–
Accruals for directors' fees	76,000	76,000	76,000	76,000
Other accrued expenses	416,961	348,136	82,036	86,722
	1,044,832	1,875,843	181,612	167,301

The amounts due to non-controlling interests of a subsidiary and a substantial shareholder, Mr LKO mainly relate to advances given to the Group for working capital and are interest-free, non-trade, unsecured and repayable on demand.

23. Other payables and accruals (cont'd)

Other payables and accruals denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Malaysian Ringgit	520,691	1,408,940	48,728	2,915
Euro	265,747	267,814	–	–
Others	21,580	19,003	–	–

24. Loans and borrowings

	Group	
	2015	2014
	$	$
Revolving credits	6,587,000	6,053,920

The effective interest rates range from 5.98% to 6.62% (2014: 6.02% to 6.62%) per annum and are rolled over for periods ranging from 6 to 12 months (2014: 6 to 12 months). The effective interest rates are determined based on ranges between 1.50% to 2.25% (2014: 1.75% to 2.25%) plus cost of funds.

Revolving credits are obtained by subsidiaries of the Company, secured by corporate guarantee by the Company and personal guarantee by Mr LKO.

The bank borrowings are denominated in Malaysian Ringgit.

25. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2015	2014	2015	2014
	$	$	$	$
Deferred tax liabilities:				
Differences in depreciation for tax purposes	–	129,175	–	(129,175)
Fair value adjustments on investment property	–	(127,348)	–	–
Exchange differences	–	(1,827)	–	1,827
	–	–		
Deferred tax expense (Note 9)			–	(127,348)

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $2,957,000 (2014: $3,059,000) and unabsorbed capital allowances of approximately $70,000 (2014: $30,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

26. Finance lease payables

The finance lease payables were related to the lease interest which was held by a subsidiary, PSHSB, which has been disposed of in the current year, as disclosed in Note 13.

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	2015	2014
	$	$	$	$
Not later than one year	–	224,295	–	213,390
Later than one year but not later than five years	–	954,706	–	747,945
Later than five years	–	21,989,038	–	2,635,023
Total minimum lease payments	–	23,168,039	–	3,596,358
Less: Amounts representing finance charges	–	(19,571,681)	–	–
Present value of minimum lease payments	–	3,596,358	–	3,596,358

27. Amounts due to related parties

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Non-current:				
Amount due to a substantial shareholder	1,859,230	2,030,012	–	–
Amount due to a company controlled by a substantial shareholder	850,007	828,841	850,007	828,841
Amount due to a non-controlling interest of a subsidiary	2,370,318	2,723,083	–	–
	5,079,555	5,581,936	850,007	828,841

The amount due to a substantial shareholder relates to an unsecured RM5 million (equivalent to approximately $1.6 million) loan given by Mr LKO to the Group vide a subsidiary, Plato Management Sdn Bhd. Interest is charged at 5.6% per annum on the outstanding amount. Mr LKO has undertaken to only demand for repayment from the Group when the cash flows of the Group permits (Note 2.1).

The amount due to a company controlled by a substantial shareholder relates to the unsecured amount due to Vindelta Limited ("Vindelta") arising from the Company's acquisition of shares in Monteco from Vindelta. Interest is charged at 2.6% (2014: 2.6%) per annum on the outstanding amount due to Vindelta during the financial year ended 31 December 2015.

The repayment dates of both the amounts due to a substantial shareholder and a company controlled by a substantial shareholder were extended from 28 February 2015 to 28 February 2017 in the prior financial year.

The amount due to a non-controlling interest of a subsidiary relates to advances given by ECM Libra Financial Group Berhad ("ECMLIB") in which Mr LKO is a director and a substantial shareholder. ECMLIB has a 30% equity interest in Positive Carry. The amount due to ECMLIB is unsecured, non-interest bearing, has no fixed term of repayment and is not expected to be repaid within the next twelve months.

Amounts due to related parties denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Euro	850,007	828,841	850,007	828,841
Malaysian Ringgit	4,229,548	4,753,095	–	–

28. Share capital

	Group and Company			
	2015		2014	
	Number of shares	$	Number of shares	$
Issued and fully paid ordinary shares				
At 1 January and 31 December	165,451,344	37,148,948	165,451,344	37,148,948

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. Fair value reserve

The fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

30. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations in which the functional currencies are different from that of the Group's presentation currency.

31. Related party transactions

(a) ***Significant transactions between the Group and related parties***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place with terms agreed between the parties during the financial year:

	Group	
	2015	2014
	$	$
Rental expenses paid to ECMLIB	44,765	48,459

	2015	2014
	$	$
Interest payable on loan from Mr LKO	92,285	105,972
Interest payable to Vindelta	21,166	21,166

31. Related party transactions (cont'd)

(b) Compensation of key management personnel

	2015	2014
	$	$
Directors' fees	152,000	152,000
Short-term employee benefits	519,289	490,686
Defined contribution plans	48,184	44,760
Professional services rendered	29,400	_
Total compensation paid to key management personnel	748,873	687,446
Comprise amounts paid to:		
- Directors of the Company	459,616	450,410
- Other key management personnel	289,257	237,036
	748,873	687,446

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

32. Operating lease commitments - as lessee

Future minimum lease payments payable under non-cancellable operating leases of the Group at the end of the reporting period are as follows:

	Group	
	2015	2014
	$	$
Not later than one year	52,578	55,897
Later than one year but not later than five years	71,021	77,086
	123,599	132,983

The operating lease commitment is based on existing rates. The lease agreement provides a periodic revision of such rates in the future.

Rentals are fixed for an average of 1 to 3 years with no provision for contingent rent and an option to renew the lease after the expiry of the current lease period.

33. Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2015	2014
	$	$
Capital commitment in respect of property, plant and equipment of the joint venture	–	536,936

34. Contingent liabilities

Proportionate guarantee

The Company has provided the following guarantees at the end of the reporting period:

- a proportionate guarantee for a principal sum of up to $9.5 million (2014: $11.3 million) in relation to a term loan facility granted by a licensed bank to Epsom College Malaysia Sdn Bhd ("Epsom"), a subsidiary of an associate.

- a proportionate guarantee for a principal sum of up to $8.6 million (2014: $10.4 million) in relation to a term loan facility and a bank guarantee facility of up to $0.44 million (2014: $0.55 million) granted by a licensed bank to TP Sepang Sdn Bhd, a subsidiary of joint venture.

As at 31 December 2015, Epsom has not been able to comply with a covenant of the term loan which requires certain financial debt ratios to be maintained. The Group has assessed and concluded that there is no indication that the proportionate guarantee would be called given that the term loan is also secured over the freehold land and buildings of Epsom.

Continuing financial support

As at the end of the financial year, the Company has given undertakings to provide continuing financial support to certain subsidiaries to enable them to operate on a going concern basis and to meet their obligations as and when they fall due for at least 12 months from the end of financial year.

At the end of the financial year, these subsidiaries had capital deficiencies totalling $8,155,411 (2014: $5,198,241) including amounts due from the subsidiaries to the Company totalling $2,649,162 (2014: $6,263,190).

In the opinion of the directors, no loss is anticipated from these contingent liabilities.

35. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2015 $			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Financial assets:				
Available-for-sale financial assets (Note 16)				
Quoted equity securities, at fair value	336,163	–	–	336,163
Total equity securities	336,163	–	–	336,163
Financial assets as at 31 December 2015	336,163	–	–	336,163

35. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Group 2014 $			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Financial assets:				
Available-for-sale financial assets (Note 16)				
Quoted equity securities, at fair value	641,986	–	–	641,986
Total equity securities	641,986	–	–	641,986
Financial assets as at 31 December 2014	641,986	–	–	641,986
Non-financial assets:				
Investment property (Note 12)				
Commercial	–	–	4,048,559	4,048,559
Total investment property	–	–	4,048,559	4,048,559
Non-financial assets as at 31 December 2014	–	–	4,048,559	4,048,559

35. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements*

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

None of the financial assets and liabilities of the Group was measured using significant unobservable inputs (Level 3) as at 31 December 2015.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2014	Valuation techniques	Unobservable inputs	Range
	$			
Recurring fair value measurements				
Investment property:				
Commercial	4,048,559	Discounted cash flow method	Net cash inflows from the investment property, discounted based on discount rate based on management's and valuer's assumptions	Gradual increase in net cash inflows during the duration of the lease period averaging approximately $600,000 per annum, discounted at a rate of 7.5%

A significant change in the projected net cash inflows and the discount rate based on management's and valuer's assumptions would impact the fair value measurement.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The disclosure of the movement in the investment property balance in Note 12 constitutes a reconciliation of the movement of assets which are measured at fair value based on significant unobservable inputs.

35. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements (cont'd)*

(iii) Valuation policies and procedures

The senior management of the Group (the "Management") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the Management reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

	Group				
	2015				
	$				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Liability					
Finance lease payables	–	–	–	–	–

35. Fair value of assets and liabilities (cont'd)

(d) ***Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)***

	Group				
	2014				
	$				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Liability					
Finance lease payables	–	–	3,596,358	3,596,358	3,596,358

Determination of fair value

Finance lease payables

The fair value as disclosed in the table above is estimated by discounting expected future cash flows at market incremental borrowing rate for similar types of borrowing or leasing arrangements at the end of the reporting period.

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

		Group			
	Note	2015		2014	
		$		$	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Available-for-sale financial assets, unquoted equity securities	16	1	N.A.[1]	1	N.A.[1]
Financial liabilities:					
Amount due to a non-controlling interest of a subsidiary	27	2,370,318	N.A.[2]	2,723,083	N.A.[2]

35. Fair value of assets and liabilities (cont'd)

(e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)*

Determination of fair value

(1) Investment in unquoted equity securities carried at cost

Fair value information has not been disclosed for the Group's investments in unquoted equity securities that are carried at cost less accumulated impairment loss because fair value cannot be measured reliably. These equity securities represent ordinary shares in an entity in the aviation industry that is not quoted on any market and does not have any comparable industry peer that is listed. Except for a nominal amount of $1, these unquoted securities were fully impaired by the Group during the prior financial year, based on an assessment conducted by the directors.

(2) Amount due to a non-controlling interest of a subsidiary

This relates to the amount advanced to Positive Carry by the non-controlling interest based on the non-controlling interest's proportionate equity interest in Positive Carry for the subscription of the RCPS issued by an associate in the prior period (Note 15). Fair value information has not been disclosed for the amount due to a non-controlling interest of a subsidiary and is carried at cost because fair value cannot be measured reliably as the timing of the repayment cannot be estimated reliably without incurring excessive cost.

(f) *Financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The following are classes of financial assets and financial liabilities that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value:

	Note
Trade and other receivables	17 & 18
Amounts due from/(to) subsidiaries	19
Amount due from joint venture	20
Cash and cash equivalents	21
Trade and other payables	22 & 23
Loans and borrowings	24
Amounts due to related parties	27

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of due from/(to) subsidiaries and due from joint venture, loans and borrowings and amounts due to related parties (excluding amount due to a non-controlling interest of a subsidiary – Note 35(e) are a reasonable approximation of fair values due to the insignificant impact of discounting.

35. Fair value of assets and liabilities (cont'd)

Classification of financial instruments

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Financial assets				
Unquoted equity securities, at cost	1	1	–	–
Quoted equity securities, at fair value	336,163	641,986	–	–
Total available-for-sale financial assets	336,164	641,987	–	–
Trade receivables	298,661	447,729	–	–
Other receivables and deposits	45,252	45,795	–	19
Amounts due from subsidiaries	–	–	2,649,162	6,263,190
Amount due from joint venture	–	630,179	–	630,179
Cash and cash equivalents	5,974,555	2,900,341	4,937,831	695,414
Total loans and receivables	6,318,468	4,024,044	7,586,993	7,588,802
Financial liabilities				
Trade payables	147,920	179,320	–	–
Other payables and accruals	1,044,832	1,875,843	181,612	167,301
Amounts due to subsidiaries	–	–	4,421,459	8,677,113
Loans and borrowings	6,587,000	6,053,920	–	–
Finance lease payables	–	3,596,358	–	–
Amounts due to related parties	5,079,555	5,581,936	850,007	828,841
Total financial liabilities carried at amortised cost	12,859,307	17,287,377	5,453,078	9,673,255

36. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Management. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables (including amounts due from subsidiaries and joint venture). For other financial assets (including available-for-sale financial assets and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

It is the Group's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that the goods sold and services rendered are to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The trade and other receivables represent the Group's maximum exposure to credit risk in the event the counter parties fail to perform their obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- A nominal amount of up to RM28.74 million (equivalent to approximately $9.5 million) (2014: RM28.74 million (equivalent to approximately $11.3 million)) relating to a corporate guarantee provided by the Group to the banks on an associate's term loan facility.

- A nominal amount of up to RM26.00 million (equivalent to approximately $8.6 million) (2014: RM26.00 million (equivalent to approximately $10.4 million)) and up to RM1.35 million (equivalent to approximately $0.44 million) (2014: RM1.35 million (equivalent to approximately $0.55 million)) relating to a corporate guarantee provided by the Group to the banks on its joint venture's term loan facility and bank guarantee facility respectively.

- A nominal amount of RM20.00 million (equivalent to approximately $6.6 million) (2014: RM20.00 million (equivalent to approximately $6.1 million)) relating to a corporate guarantee provided by the Company to a bank on its subsidiaries' revolving credits.

36. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2015		2014	
	$	% of total	$	% of total
By country:				
Malaysia	280,220	94	423,562	95
Singapore	10,390	3	8,393	2
Other countries	8,051	3	15,774	3
	298,661	100	447,729	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents and available-for-sale financial assets that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables) and Note 16 (Available-for-sale financial assets).

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and operational flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. The Group has RM20.0 million (equivalent to approximately $6.5 million) in available credit facilities, is fully utilised as at the end of the reporting period. Mr LKO has provided a commitment to the Group to continue to provide and not withdraw his personal guarantee to the banks for at least a one year period from the date of the financial statements so as to enable the Group to have continuous access to these facilities to meet liquidity needs. The Directors are also of the view that the Group will be able to secure additional borrowings by securing its long-term assets which are currently unencumbered.

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risks (cont'd)

In addition, the Directors are also of the view that the Group is in a position to raise funds from capital markets and financial institutions and balance its portfolio with some short term funding. The Group ensures availability of funds through an adequate amount of cash and marketable securities and where necessary, fund raising exercises can be considered via rights issues, private placements, or equity-related exercises.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability of sufficient balance of cash and marketable securities.

Management monitors expected cash flow based on a rolling forecast of the Group's liquidity reserve which comprises of cash and cash equivalents and marketable securities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Group				
2015				
Financial assets:				
Trade receivables	298,661	–	–	298,661
Other receivables and deposits	45,252	–	–	45,252
Cash and cash equivalents	5,974,555	–	–	5,974,555
Total undiscounted financial assets	6,318,468	–	–	6,318,468
Financial liabilities:				
Financial guarantees**	(18,540,000)	–	–	(18,540,000)
Trade payables	(147,920)	–	–	(147,920)
Other payables and accruals	(1,044,832)	–	–	(1,044,832)
Loans and borrowings	(7,003,842)	–	–	(7,003,842)
Amounts due to related parties	–	(2,840,950)	(2,370,317)*	(5,211,267)
Total undiscounted financial liabilities	(26,736,594)	(2,840,950)	(2,370,317)	(31,947,861)
Total net undiscounted financial liabilities	(20,418,126)	(2,840,950)	(2,370,317)	(25,629,393)

* Not expected to be repaid in the near future and timing of repayment cannot be estimated reliably (Note 27).

** This represents the maximum amount of the proportionate guarantee in relation to term loan facilities granted by licensed banks to an associate and joint venture, in the event the bank calls for repayment, as disclosed in Note 34.

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Group				
2014				
Financial assets:				
Trade receivables	447,729	–	–	447,729
Other receivables and deposits	45,795	–	–	45,795
Amount due from joint venture	630,179	–	–	630,179
Cash and cash equivalents	2,900,341	–	–	2,900,341
Total undiscounted financial assets	4,024,044	–	–	4,024,044
Financial liabilities:				
Financial guarantees**	(22,250,000)	–	–	(22,250,000)
Trade payables	(179,320)	–	–	(179,320)
Other payables and accruals	(1,875,843)	–	–	(1,875,843)
Loans and borrowings	(6,441,068)	–	–	(6,441,068)
Finance lease payables	(224,295)	(954,706)	(21,989,038)	(23,168,039)
Amounts due to related parties	–	(3,133,618)	(2,723,083)*	(5,856,701)
Total undiscounted financial liabilities	(30,970,526)	(4,088,324)	(24,712,121)	(59,770,971)
Total net undiscounted financial liabilities	(26,946,482)	(4,088,324)	(24,712,121)	(55,746,927)

* Not expected to be repaid in the near future and timing of repayment cannot be estimated reliably (Note 27).

** This represents the maximum amount of the proportionate guarantee in relation to term loan facilities granted by licensed banks to an associate and joint venture, in the event the bank calls for repayment, as disclosed in Note 34.

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less	One to five years	Over five years	Total
	$	$	$	$
Company				
2015				
Financial assets:				
Amounts due from subsidiaries	2,649,162	–	–	2,649,162
Cash and cash equivalents	4,937,831	–	–	4,937,831
Total undiscounted financial assets	7,586,993	–	–	7,586,993
Financial liabilities:				
Financial guarantees*	(25,127,000)	–	–	(25,127,000)
Other payables and accruals	(226,227)	–	–	(226,227)
Amounts due to subsidiaries	(4,421,459)	–	–	(4,421,459)
Total undiscounted financial liabilities	(29,774,686)	–	–	(29,774,686)
Total net undiscounted financial liabilities	(22,187,693)	–	–	(22,187,693)
2014				
Financial assets:				
Other receivables and deposits	19	–	–	19
Amounts due from subsidiaries	6,263,190	–	–	6,263,190
Amount due from joint venture	630,179	–	–	630,179
Cash and cash equivalents	695,414	–	–	695,414
Total undiscounted financial assets	7,588,802	–	–	7,588,802
Financial liabilities:				
Financial guarantees*	(28,303,920)	–	–	(28,303,920)
Other payables and accruals	(167,301)	–	–	(167,301)
Amounts due to subsidiaries	(8,677,113)	–	–	(8,677,113)
Total undiscounted financial liabilities	(37,148,334)	–	–	(37,148,334)
Total net undiscounted financial liabilities	(29,559,532)	–	–	(29,559,532)

* At the reporting date, the counterparties to the financial guarantees do not have a right to demand payment of cash as there is no default on the borrowings obtained by the subsidiaries, associates and joint venture, other than as disclosed in Note 34. In the analysis above, the maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

36. Financial risk management objectives and policies (cont'd)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2014: less than 6 months) from the end of the reporting period.

The Group's policy is to manage interest cost using floating rate loans and borrowings, depending on the liquidity needs of the Group, with the objective of ensuring that there is sufficient net cash for the Group's operations at reasonable interest rates. The Group's revolving credit facilities provide the Group with the flexibility to roll its loans and borrowings over a period of 1 to 12 months. The interest rates are determined based on ranges between 1.50% to 2.25% (2014: 1.75% to 2.25%) plus cost of funds.

Sensitivity analysis for interest rate risk

The sensitivity analysis below was determined based on the exposure to interest rate risks for short-term deposits, bank borrowings and finance lease payables at the end of the financial year. The sensitivity analysis assumes an instantaneous 0.50% change in the interest rate from the end of the financial year, with all variables held constant.

	Group	
	Loss before tax	
	(Decrease)/Increase	
	2015	2014
	$	$
Short-term deposits		
Increase in interest rate	(24,883)	(3,795)
Decrease in interest rate	24,883	3,795
Bank borrowings		
Increase in interest rate	32,935	30,270
Decrease in interest rate	(32,935)	(30,270)

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Malaysian Ringgit ("RM"). The foreign currencies in which these transactions are denominated are mainly RM. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 21.

The Group's policy is to manage all its foreign financial assets and liabilities using the best available foreign currency exchange rates through natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount. The Group does not use any derivative financial instruments to hedge these exposures.

36. Financial risk management objectives and policies (cont'd)

(d) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk

The following table details the Group's sensitivity to a 10% change in Singapore Dollar ("SGD"), Malaysian Ringgit ("RM"), Hong Kong Dollar ("HKD"), United States Dollar ("USD") and EURO ("EUR") and against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of financial year/period, with all variables held constant.

	Group	
	Loss before tax (Decrease)/Increase	
	2015	2014
	$	$
SGD		
Strengthens against USD	300,343	(161,149)
Weakens against USD	(300,343)	161,149
Strengthens against RM	(304,488)	94,768
Weakens against RM	304,488	(94,768)
Strengthens against EUR	23,456	24,010
Weakens against EUR	(23,456)	(24,010)
RM		
Strengthens against USD	354,017	637,759
Weakens against USD	(354,017)	(637,759)
HKD		
Strengthens against USD	(29,574)	(27,661)
Weakens against USD	29,574	27,661
USD		
Strengthens against RM	485,244	491,803
Weakens against RM	(485,244)	(491,803)
EUR		
Strengthens against SGD	85,001	82,884
Weakens against SGD	(85,001)	(82,884)

36. Financial risk management objectives and policies (cont'd)

(e) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on the Bursa Securities Malaysia Berhad in Malaysia and are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

The Group is exposed to equity risks arising from financial assets classified as available-for-sale. Available-for-sale financial assets are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale financial assets. Further details of these marketable financial assets can be found in Note 16.

The Group's policy is to invest in a mix of quoted securities from various industries, with the objective of managing market price risk and to derive potential returns from capital appreciation and dividend income streams. Management monitors a rolling forecast of the Group's liquidity reserve which comprises of cash and cash equivalents and marketable securities.

Sensitivity analysis for equity price risk

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of financial year. The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the end of financial year, with all variables held constant.

	Group	
	Equity	
	2015	2014
	$	$
Available-for-sale financial assets	33,616	64,198

As the quoted equity investments have been impaired entirely in the previous financial year, any subsequent decline in the fair values of these investments would be charged to profit or loss. Any increase in the fair values of these investments would be expected to result in an increase in fair value reserve in equity.

37. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, loans and borrowings, trade and other payables, finance lease payables and amounts due to related parties less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	Group	
	2015	**2014**
	$	$
Trade payables	147,920	179,320
Other payables and accruals	1,044,832	1,875,843
Loans and borrowings	6,587,000	6,053,920
Finance lease payables	–	3,596,358
Amounts due to related parties	5,079,555	5,581,936
Less: Cash and cash equivalents	(5,974,555)	(2,900,341)
Net debt	6,884,752	14,387,036
Equity attributable to owners of the Company, representing total capital	28,978,530	32,680,189
Capital and net debt	35,863,282	47,067,225
Gearing ratio	19%	31%

38. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group has three reportable segments being IT operations, investment activities and corporate and others segments. Segments in Malaysia are generally engaged in IT operations and investment activities while segments classified under Asia and others are engaged in investment, corporate and other activities.

The IT operations segment provides e-Commerce services, system integration related services, and distribution and marketing of computer hardware and software.

The investment activities segment manages investments in quoted and unquoted equity shares and performs money lending services.

The corporate and others segment holds investment in related companies.

38. Segment information (cont'd)

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Business segments

	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	$	$	$	$	$	$
Group						
At 31 December 2015						
Revenue						
Sales to external customers and total revenue	1,419,597	60,472	–	1,480,069	–	1,480,069
Results						
Interest income from bank deposits	13,672	10,136	2,324	26,132	–	26,132
Finance costs	–	(690,900)	–	(690,900)	–	(690,900)
Depreciation of property, plant and equipment	(32,547)	(3,569)	–	(36,116)	–	(36,116)
Impairment of available-for-sale financial assets	–	(36,911)	–	(36,911)	–	(36,911)
Share of loss from associates and joint venture, net	–	(3,372,045)	–	(3,372,045)	–	(3,372,045)
Segment loss before tax	(20,963)	(3,174,972)	(760,337)	(3,956,272)	–	(3,956,272)
Assets						
Additions to non-current assets	9,316	4,099,355	–	4,108,671	–	4,108,671
Investment in associates and joint venture	–	33,229,261	–	33,229,261	–	33,229,261
Segment assets	1,009,955	38,538,235	4,967,916	44,516,106	–	44,516,106
Segment liabilities	900,393	12,107,315	242,655	13,250,363	–	13,250,363

38. Segment information (cont'd)

Business segments (cont'd)

	IT operations	Investment activities	Corporate and others	Total	Eliminations and adjustments	Consolidated
	$	$	$	$	$	$
Group						
At 31 December 2014						
Revenue						
Sales to external customers and total revenue	1,382,175	86,254	–	1,468,429	–	1,468,429
Results						
Interest income from bank deposits	1,570	41,015	190	42,775	–	42,775
Finance costs	–	(768,167)	–	(768,167)	–	(768,167)
Depreciation of property, plant and equipment	(33,086)	(4,819)	–	(37,905)	–	(37,905)
Impairment of available-for-sale financial assets	–	–	(648,284)	(648,284)	–	(648,284)
Fair value loss on investment property	–	(4,655,181)	–	(4,655,181)	–	(4,655,181)
Share of loss from associates and joint venture, net	–	(801,847)	–	(801,847)	–	(801,847)
Segment loss before tax	(328,286)	(5,709,321)	(1,445,637)	(7,483,244)	–	(7,483,244)
Assets						
Additions to non-current assets	61,908	1,705,968	–	1,767,876	–	1,767,876
Investment in associates and joint venture	–	38,770,878	–	38,770,878	–	38,770,878
Segment assets	931,320	50,573,968	725,827	52,231,115	–	52,231,115
Segment liabilities	891,831	15,746,515	1,012,243	17,650,589	–	17,650,589

38. Segment information (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Group	
	2015	2014
	$	$
Revenue		
Total revenue for reportable segments, representing total consolidated revenue	1,480,069	1,468,429
Profit or loss		
Total profit or loss for reportable segments, representing total consolidated loss before tax	(3,956,272)	(7,483,244)
Assets		
Total assets for reportable segments	44,516,106	52,231,115
Tax recoverable	62,259	36,851
Total consolidated assets	44,578,365	52,267,966
Liabilities		
Total liabilities for reportable segments, representing total consolidated liabilities	13,250,363	17,650,589

Geographic information

Revenues from external customers

	Malaysia	Asia and others	Consolidated
	$	$	$
31 December 2015			
Sales to external customers and total revenue	1,419,597	60,472	1,480,069
31 December 2014			
Sales to external customers and total revenue	1,382,175	86,254	1,468,429

The revenue information above is based on the location of the customers. There are no revenues derived from Singapore, the country of domicile of the Company.

38. Segment information (cont'd)

Location of non-current assets

	Malaysia	Ireland	Consolidated
	$	$	$
31 December 2015			
Non-current assets	57,162	4,284,195	4,341,357
31 December 2014			
Non-current assets	4,145,217	4,388,466	8,533,683

Non-current assets consist of property, plant and equipment and investment property.

Major customer

In the current year, approximately 32% (2014: 32%) of the revenue from IT operations were derived from a major third party customer.

39. Subsequent events

(a) On 28 January 2016, the Group increased its cost of investment in Educ8 by $2,900,259 from $13,116,275 to $16,016,534, following the subscription of rights issued by this associate. Consequently, the Group's effective interest in this associate increased from 31.99% to 37.18%.

(b) On 22 February 2016, the Group acquired a wholly-owned subsidiary known as Truesource Sdn Bhd ("TSSB"). The purpose of the acquisition of TSSB is to establish a special purpose vehicle for a proposed shares acquisition by the Group, which was entered into on 23 February 2016.

Per the conditional share sale agreement ("SSA") entered between TSSB and four independent third parties, the Group was to acquire 25.89% of the total issued and paid-up capital of ECMLIB, a public company with core business segments including fund management and investment holding for a total purchase consideration of RM27,452,140 (equivalent to approximately $9,169,014). The Group proposes to fund the purchase consideration using monies raised from a proposed issue of redeemable convertible unsecured loan stocks of an aggregate value up to $10,000,000 to Mr LKO, a director and controlling shareholder of the Group, as well as a director and substantial shareholder of ECMLIB. The transactions are subject to shareholders' approval, fulfilment of the principal terms and conditions set out within the SSA, and are expected to be completed before the end of FY 2016.

On 7 March 2016, the Group incorporated a wholly-owned subsidiary known as Truesource Pte. Ltd. ("TSPL") in Singapore that has assumed all rights and obligations of TSSB under the SSA for the proposed shares acquisition to be undertaken by the Group.

(c) On 11 March 2016, the Group, via its 50% owned joint venture company, TPRE, through its wholly owned subsidiaries, TP Hotel Melbourne Trust and TP Services (Melbourne) Pty Limited, completed the sale of:

(i) Property known as 609 Swanston Street, Melbourne, Victoria for a total cash consideration of AUD51.700 million (equivalent to approximately $52.148 million); and

(ii) Hotel business for a total cash consideration of AUD0.300 million (equivalent to approximately $0.303 million).

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 30 March 2016.

Shareholders' Information

SHAREHOLDERS' INFORMATION AS AT 23 MARCH 2016

Number of issued shares	:	165,451,344
Issued and fully-paid capital	:	S$37,148,948
Class of shares	:	Ordinary
Voting rights	:	One vote per share

The Company does not hold any treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	37	1.87	457	0.00
100 - 1,000	784	39.64	397,829	0.24
1,001 - 10,000	783	39.59	3,335,904	2.02
10,001 - 1,000,000	365	18.45	25,417,185	15.36
1,000,001 AND ABOVE	9	0.45	136,299,969	82.38
TOTAL	**1,978**	**100.00**	**165,451,344**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Lim Kian Onn and Quek Siow Leng	–	–	68,415,627 [1]	41.35
Ng Kok Hin	10,578,675	6.39	–	–
Tan Sri Dr. Anthony Francis Fernandes	–	–	12,325,000 [2]	7.45
Datuk Kamarudin Bin Meranun	–	–	12,325,000 [3]	7.45

(1) 40,415,627 shares are held by Citibank Nominees Singapore Pte. Ltd. for Bank Julius Baer (Singapore) Ltd for Lim Kian Onn and Quek Siow Leng jointly and 28,000,000 shares are held by DBSN Services Pte. Ltd. for A/c JPMorgan Bank Luxembourg SA re JP Morgan Private Bank

(2) Held by HSBC (Singapore) Noms Pte. Ltd. for Tan Sri Dr. Anthony Francis Fernandes

(3) Held by Citibank Nominees Singapore Pte. Ltd. for Datuk Kamarudin Bin Meranun

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	68,819,921	41.60
2	DBSN SERVICES PTE. LTD.	28,000,000	16.92
3	HSBC (SINGAPORE) NOMINEES PTE LTD	12,325,000	7.45
4	NG KOK HIN	10,578,675	6.39
5	LEONG HONG KAH	6,816,400	4.12
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,626,975	2.19
7	MICHELE SHARMINI RASANAYAGAM	3,000,000	1.81
8	LIM KHIANG WEE	1,713,314	1.04
9	DBS NOMINEES (PRIVATE) LIMITED	1,419,684	0.86
10	CHOO THIAM SOON	1,000,000	0.60
11	OCBC SECURITIES PRIVATE LIMITED	872,550	0.53
12	YIP WEI MUN	680,200	0.41
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	631,200	0.38
14	TAN TSU TSEN (CHEN SHUSHENG)	556,000	0.34
15	NG TENG SIAK	550,000	0.33
16	UOB KAY HIAN PRIVATE LIMITED	547,000	0.33
17	LEE SEK LEONG CHRISTOPHER	520,000	0.31
18	RAFFLES NOMINEES (PTE) LIMITED	492,000	0.30
19	ANG CHIN YEOW (HONG ZHENYAO)	480,000	0.29
20	WOO KOK SIN	469,000	0.28
	TOTAL	**143,097,919**	**86.48**

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF THE PUBLIC

The Company has complied with Rule 723 of the Catalist Rules as 28.38% of the Company's shares were held in the hands of public as at 23 March 2016.

PLATO CAPITAL LIMITED
(Company Registration No. 199907443M)
(Incorporated in Singapore with limited liability)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of PLATO CAPITAL LIMITED ("the Company") will be held at Paprika Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on Thursday, 28 April 2016 at 2.15 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect Mr Lim Kian Onn retiring pursuant to Article 107 of the Constitution of the Company.
[See Explanatory Note (i)]

(Resolution 2)

3. To re-appoint Mr Michael Kan Yuet Yun PBM, a director of the Company, who will be retiring under the resolution passed at the last Annual General Meeting pursuant to Section 153(6) (as was then still in force) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").
[See Explanatory Note (ii)]

*Mr Michael Kan Yuet Yun PBM will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**").*

(Resolution 3)

4. To approve the payment of Directors' fees of S$178,000 for the financial year ending 31 December 2016, payable half yearly in arrears on 1 July 2016 and 1 January 2017 (2015: S$152,000).

(Resolution 4)

5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares ("Share Issue Mandate")**

That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities outstanding and/or subsisting at the time of the passing of this Resolution;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law and the Catalist Rules to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 6)

By Order of the Board

Low Geok Eng Susie
Secretary
Singapore, 13 April 2016

Explanatory Notes:

(i) Information on Mr Lim Kian Onn can be found on page 24 of the Annual Report 2015.

(ii) The Ordinary Resolution 3 in item 3 above is for the re-appointment of a director of the Company. The resolution is to approve and authorise the continuation of the Director in office, as Director of the Company, from the date of the Annual General Meeting onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. This is consequent upon the repeal of Section 153(6) of the Companies Act with effect from 3 January 2016. The resolution passed pursuant to Section 153(6) of the Companies Act at the last Annual General Meeting (as Section 153 was then still in force) could only permit the re-appointment of Director, being over 70 years of age, to hold office as Director of the Company until this Annual General Meeting.

(iii) Under the Catalist Rules, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new Shares and convertible securities of the issuer of up to 100% of the issued share capital of the issuer (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new Shares and convertible securities issued other than on a *pro-rata* basis to existing shareholders must not be more than 50% of the issued share capital (excluding treasury shares) of the Company.

The proposed Share Issue Mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company.

The Ordinary Resolution 6 proposed in item 7 above, if passed, is to empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments. The aggregate number of Shares to be issued pursuant to this Ordinary Resolution 6 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per centum (100%) of the issued share capital (excluding treasury shares) of the Company, with a sub-limit of fifty per centum (50%) for shares issued other than on a *pro-rata* basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution 6) to shareholders.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PLATO CAPITAL LIMITED
Company Registration No. 199907443M
(Incorporated In The Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We, _____

of _____

being a member/members of PLATO CAPITAL LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Paprika Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on Thursday, 28 April 2016 at 2.15 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No	Resolutions relating to:	Number of Votes For(1)	Number of Votes Against(1)
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015		
2	Re-election of Mr Lim Kian Onn as a Director of the Company		
3	Re-appointment of Mr Michael Kan Yuet Yun PBM as a Director of the Company		
4	Approval of Directors' fees for financial year ending 31 December 2016, payable half yearly in arrears		
5	Re-appointment of Ernst & Young LLP as Auditors of the Company		
6	Authority to allot and issue shares		

(1) *If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2016

_____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

*Delete where inapplicable

Affix Postage Stamp

The Registrar

PLATO CAPITAL LIMITED

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Future Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2016.

GENERAL:
The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

REGISTERED OFFICE
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Singapore Land Tower
Singapore 048623
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Facsimile : (65) 6536 1360

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Damansara Heights
50490 Kuala Lumpur
Malaysia
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Facsimile : (603) 2092 2829